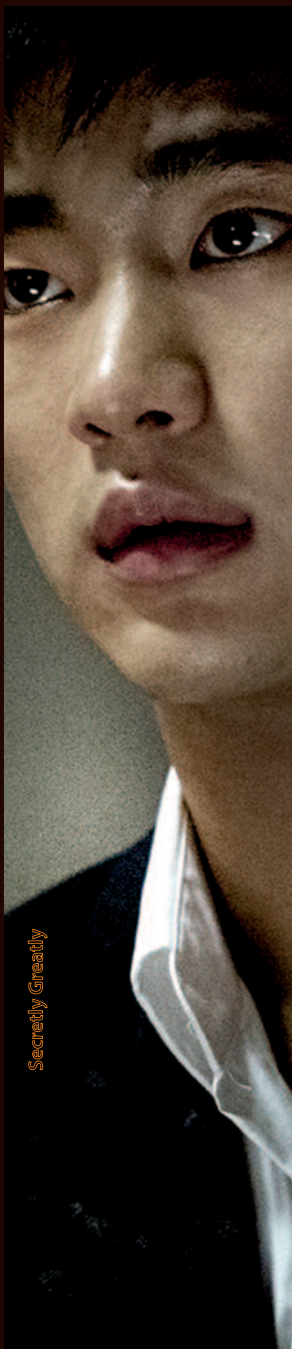




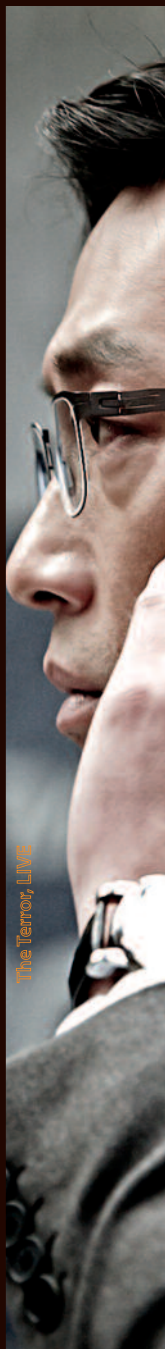
Cold Eyes



Secretly Greatly



The Fake Reader



The Terror, Live



Miracle in Cell No.7

STATUS & INSIGHT : KOREAN FILM INDUSTRY 2013



STATUS & INSIGHT :

KOREAN FILM INDUSTRY 2013

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Miracle in Cell No.7, LEE Hwan-kyung, Next Entertainment World, Inc.(NEW)



The Face Reader, HAN Jae-rim, Showbox/Mediaplex, Inc.



The Suspect, WON Shin-yun, Showbox/Mediaplex, Inc.



Montage, JEONG Keun-seob, Next Entertainment World, Inc.(NEW)

1.

OVERVIEW



Hwayi: A Monster Boy, JANG Joon-hwan, Showbox/Mediaplex, Inc.

I. Overview¹⁾

In 2013, the Korean film industry generated KRW 1.88 trillion in overall revenue, the highest in its history. This result was fuelled by an increase in total ticket sales as well as a recovery of the ancillary market and overseas exports.

Box office in 2013 reached KRW 1.55 trillion, once again reaching a new benchmark with an increase of 6.6% over last year, while the number of admissions also increased about 9% year-on-year, setting a new record at 213.32 million viewers. Accordingly, average cinema admissions per capita reached 4.25, the second highest ratio in the world ²⁾. Both admissions and box office reached new records, the former increasing 41.4% (150.83 million → 213.2 million) and the latter increasing 58.4% (KRW 979.4 billion → KRW 1.55 trillion) compared to 2008 when the Korean film industry was in its worst shape. Korean film admissions in 2013 in particular reached 127.3 million, a 100.3% increase from the

63.55 million recorded in 2008.

Exports showed positive trends as well. Thanks to the 'Snowpiercer Effect' and orders placed from China for technical services used in blockbuster films, exports of finished films and technical services orders increased 83.7% and 26.8% year-on-year, respectively, while total exports reached USD 59 million (approximately KRW 65.1 billion), a 57.2% increase over 2012. The ancillary market also generated revenue of KRW 267.6 billion, a 24% growth over 2012 thanks to the sales increase generated by IPTV.

With the help of sales increases in both domestic and international markets, return on investment (ROI) of Korean cinema maintained its surplus trend at 13.3% in 2012 followed by 15.2% in 2013. Accordingly, the Korean film industry continued to grow in both quality and quantity.

<Table1> Key statistics of Korean film industry, 2004-2013

Category		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Admission (10 thousand)	Total Admission	13,517	14,552	15,341	15,878	15,083	15,696	14,918	15,972	19,489	21,332
	% change	-	7.7	5.4	3.5	-5.0	4.1	-5.0	7.1	22.0	9.5
	Korean Film	8,019	8,544	9,791	7,939	6,355	7,641	6,940	8,287	11,461	12,727
	% change	-	6.5	14.6	-18.9	-20.0	20.2	-9.2	19.4	38.3	11.0
	Market Share	59.3	58.7	63.8	50.0	42.1	48.7	46.5	51.9	58.8	59.7
	Foreign Film	5,498	6,008	5,550	7,939	8,728	8,055	7,978	7,685	8,028	8,605
	% change	-	9.3	-7.6	43.0	9.9	-7.7	-1.0	-3.7	4.5	7.2
	Market Share	40.7	41.3	36.2	50.0	57.9	51.3	53.5	48.1	41.2	40.3
No. of Films released	Korean Film	74	83	108	112	108	118	140	150	175	183
	Foreign Film	194	215	237	281	272	243	286	289	456	722
No. of Screens Nationwide		1,451	1,648	1,880	1,975	2,004	2,055	2,003	1,974	2,081	2,184
Admission per capita		2.78	2.98	3.13	3.22	3.04	3.15	2.92	3.15	3.83	4.25
Return of Investment on Korean Film		3.1	7.9	-24.5	-40.5	-43.5	-13.1	-11.0	-14.7	13.3	15.2
Film Industry Revenue(100 mil)	Ticket Sales	8,498	8,981	9,257	9,918	9,794	10,941	11,684	12,358	14,551	15,512
	Ancillary Market Sales	6,536	5,433	3,900	2,750	2,224	888	1,109	1,709	2,158	2,676
	Overseas Export (100 mil KRW)	638	832	268	267	230	155	462	382	414	651
	(10 thou USD)*	5,828	7,599	2,451	2,440	2,104	1,412	4,222	3,487	3,782	5,946
	Total	15,672	15,246	13,425	12,935	12,248	11,984	13,255	14,449	17,123	18,839

* Conversion rate of KRW for overseas export is set at USD 1 = 1,094.7KRW (Average Market Rate of 2013)

1. The 2013 annual report on Korean film industry is based on preliminary data accumulated up to January, 2014 through the 'Korea Box Office Information (KOBIS)' System website. Conversion rate of KRW is set at USD 1 = 1,094.7KRW (Average Market Rate of 2013)

2. According to Screen Digest, a British company dedicated to cultural contents research and analysis, average annual cinema admissions per capita in 2012 was 4.9 in Iceland, 4 in Singapore, 3.9 in U.S., 3.7 in Australia, and 3.4 in France.

• Sustained admission and sales revenue growth

Ticket sales in 2013 increased 6.6% over 2012, leading to a record breaking KRW 1.55 trillion while admissions also reached a new benchmark at 213.32 million viewers with an increase of 9% over 2012. Just like the previous year, Korean films were the leading force behind the overall increase in admissions. Nine out of the top ten box office hits were Korean films resulting in 127.27 million admissions for local films, 11% higher than 2012, and accounted for 59.7% of total admissions.

Because cinema admissions and ticket sales grew tremendously in 2012, expectations for 2013 had been to 'maintain the status quo' at best. Yet <Miracle in Cell No.7> and <The Berlin File>, released during Lunar New Year season, <Secretly Greatly>, <Cold Eyes>, <Snowpiercer>, <Hide and Seek>, <The Terror, LIVE>, from the summer peak season, and later <The Attorney> swept over theaters throughout the year and succeeded in attracting spectators and increasing overall admissions and Korean film admissions in large numbers compared to the year before. As a result, average admissions per capita in 2013 were 4.25, the second highest in the world.

• Digital online ancillary market on the rise

In 2013, the digital online market grew 24% year-on-year, maintaining its growth momentum. IPTV and digital cable services (henceforth 'TV VOD'), which have been the major driving forces behind this growth,

showed a 32.6% increase over 2012, generating sales of KRW 173.7 billion which accounted for 64.9% of the market. Likewise, sales for internet VOD were KRW 72.9 billion, 18% higher than the previous year. Package products took a different turn and were on a downward trend with an 8.7% decline. However, the positive aspect of this result is that the negative figure has decreased from last year when it declined 22.8%, thanks to the increase in Blu-ray sales. Overall, numbers in the ancillary market reflected the strong performances of Korean films in cinemas. All top 10 films for TV VOD were domestic films while <Iron Man 3>, which was a success in theaters, barely made it to the upper ranks. This trend was repeated in the internet VOD market, partly as erotic films were included in the rankings.

• Export revenue of finished Korean films, buoyed by <Snowpiercer>, reached USD 37 million, an 83.7% increase year-on-year

In 2013, Korean film initiatives that targeted overseas markets started to pick up speed and the export of finished Korean films surpassed USD 30 million. The total export amount for 2013 was USD 37 million, a strong increase of 83.7% against the USD 20 million of 2012. It was <Snowpiercer> that led the increase in exports, as the amount it generated was almost equivalent to the amount made by the combined exports of all other Korean films. Looking at the results by export destination, exports to Asia decreased

from last year though the sales figure increased 18.8%, still taking up the highest portion of finished film exports at 46.3%. Benefiting from the 'Snowpiercer Effect,' exports to Europe, the Middle East, Central and South America increased 182.3%, 698.7% and 414.6% respectively. To break down the details by copyright type, all rights sales accounted for 78.7% of all exports in 2013, which was significantly higher than the 59% from 2012. Along with the diversification of the online ancillary market, different types of copyrights are emerging and there are more cases of selling copyrights as a whole package rather than in individual types. Meanwhile, technical service exports in 2013 were reported to be USD 19 million, approximately 71% higher than 2012. Exports to the great China region (including China and Hong Kong) accounted for 75.8% of total sales, which mostly consisted of VFX and DI services. It seems a large portion of 2013 technical services exports were orders received for visual effects used in Chinese blockbusters.

• Korean films going global - <Snowpiercer>, <A Wedding Invitation>, <The Last Stand>, <Stoker>, <Bunshinsaba 2>

<Snowpiercer> is significant in a sense that it was a Korean initiative supported by Korean capital and executed by Korean creative manpower that utilized international locations, companies and languages to target the international market. It was a major success domestically and its export revenue accounted for almost

half of total Korean film exports in 2013. <A Wedding Invitation> is an excellent example of taking Korean content, modifying it for overseas local markets and then producing and distributing through local production systems. It will be a meaningful case to be referred to when exporting Korean films to the Asian region in the future.

<Stocker>, <The Last Stand> and <Bunshinsaba 2> are cases where Hollywood and China joined hands with Korea to utilize original stories, creative manpower (director, cinematographer) and actors. PARK Chan-wook, KIM Jee-woon and AHN Byung-ki were hired by local productions for these three films, coupled with director of photography JEONG Jeong-hun, KIM Jee-yong and CHOI Sang-mook. It is an example of Hollywood utilizing creative resources of Korean cinema, starting from original story and expanding the scope to actors, directors and camera work.

• Continued growth of return on investment

The average return on investment of the 63 commercial Korean films³⁾ released in 2013 was 15.2%, which was higher than the 13.3% from 2012. This is the highest rate of return since 2002 and considering that international sales of projects targeting global market such as <Snowpiercer> and <A Wedding Invitation> are barely reflected in the data, the actual percentage may even be

higher. The two-digit ROI for two consecutive years was achieved through various means including the highest cinema admissions and sales revenue in history, rapid growth of Korean cinema exports and the continuous growth of the digital online market, which demonstrates that the industry, which had shown negative returns from 2006 through 2011, is now on a stable rise. There were 19 projects that passed the break-even point, which is approximately 30.2% of the 63 total commercial films. Eight of those exceeded 100% returns, taking up about 12.7% of the total.

• Increase in number of films released

The number of released films is on the rise as well. A total of 905 movies were released in theaters during 2013, a great leap from the 631 in 2012. As ancillary markets like IPTV emerge as major alternatives to cinema distribution, films that wish to add a line of advertisement reading 'released in theaters,' just as erotic films had done in the past, are being imported and released in large quantities. Nevertheless, the extent of the theatrical release for such films is very limited.

• Increase in sales generated by admissions to Korean film with ratings of 15 and above

The admissions ratio of Korean films with ratings of 15 and above in 2013 increased sharply by 61.3% over 2012, and has reached 78.7% of total

admissions. This is due to the success of meticulously planned films of different genres, carefully targeting their audiences and level of exposure. On the other hand, more than 50% of foreign films were rated as suitable for all viewers or 12 and above. It is safe to say that only a limited number of Korean films are available for young audiences.

• Diversity films

Despite the stabilized and growing status of the Korean cinema industry, admissions and sales revenues of diversity films have been declining continuously since 2009. Ever since the release of <Old Partner> in 2009, admissions to diversity films have continued to drop and in 2013 they were merely 1.6% (3.4 million tickets) of total admissions. There were six diversity films that managed to sell more than 100,000 tickets in 2013, which were <To Rome with Love> (180,000), <Jiseul> (140,000), <Blue Jasmine> (140,000), <Silver Linings Playbook> (130,000), <A Last Quartet> (110,000) and <Grandmasters> (100,000).

• Theaters, currently under adjustment

In contrast to the positive trends in the number of released films, admissions and sales revenue, the number of screens failed to show any distinctive growth. By the end of December 2013, the number of theaters in Korea was 333 with 2,184 screens nationwide, which each increased 6.1% and

3. 'Commercial film' here can be defined as films that are applicable to analytic research of Korean film investment returns, that tend to be produced and distributed under commercial initiatives (with total production cost of KRW 1 billion or releases at more than 100 screens nationwide).

4.8% year-on-year from 314 and 2081, respectively. In 2013, the total number of seats was 349,669, a 2.5% decrease from the 358,659 seats in 2012. The number of theaters and screens each exceeded 300 and 2000 in 2007, reaching their saturated state and seem to have been adjusting since. Also, the ratio of multiplexes against the total number of theaters was 81.1% across the country, 8% higher than last year. An increase in multiplex chains nationwide means that local theaters are shut down or else absorbed into mainstream multiplexes. In Seoul, a total of four theaters were either closed down (one case) or transformed into mainstream multiplex chains (three cases). In addition, local theaters in Chuncheon and the Daejeon area were shut down while theaters in Bucheon and Chungcheongbuk-do were changed into multiplexes. Such a transformation of local theaters resulted in the shifting of the balance towards multiplex giants nationwide.

• N.E.W opens the door to a new world

N.E.W. (Next Entertainment World) started the year 2013 with <Miracle in Cell No.7> and finished it with <The Attorney>. Both were major hits, attracting more than 10 million viewers. As a result, the company outpaced CJ Entertainment, the long time number one Korean film distributor, and pushed it to second place to take the throne in 2013. The emer-

gence of another major investor and distributor in the industry, and its success without owning any subsidiary chain of theaters or having a conglomerate watching its back is surely welcome news to all Korean film producers as it indicates that there are more opportunities for them.

• Action plan announced by Korean Cinema Growth Together Association to establish a fairer environment

The Korean Cinema Growth Together Association⁴⁾, consisting of all major players of the Korean film industry, including all theater chains in Korea except for Megabox, investors and distributors, production companies, the Korean Film Council and Ministry of Culture, Sports and Tourism, announced the seven clauses from the Annex Agreement to the Korean Cinema Growth Together Action Plan on April 7, 2013. Despite the lack of legal force in its decisions, as the Association is not a judicial organization, to some extent it has improved the poor practices of pay settlements and overtime charges that had been unfavorable for production companies by executing the Action Plan and its Annex Agreement. It has also succeeded in providing four major social insurances to staff and settling the practice of standardized contracts for screenwriters. Starting in December, the Unfair Business Practice Notification and Monitoring Center opened its doors with support from KOFIC to

make sure the Action Plan and its Annex Agreement are carried out correctly. The Center is expected to present more specific data and execution directives for the Action Plan.

• CGV and Lotte Cinema adjust revenue sharing scheme for Korean films in their direct branches in Seoul

CGV and Lotte Cinema adjusted their revenue sharing scheme for Korean films screened in the Seoul area in July and September of 2013, which were formerly unfavorable for Korean films in terms of investment and production compared to foreign films. As a result, revenue shares for Korean films for these two chain companies were adjusted from 50:50 to 55:45 for the distributors and theaters. Sales revenue returned to investors and production companies increased, resulting in larger capital to be reinvested in production, which is considered an enhancement for a virtuous production circle. It is also meaningful that the business practice that was drafted under the environment of the past has been adjusted for these new industrial surroundings. Meanwhile, Megabox, which ranks at number three in the local theater business, has not made any change to its revenue sharing for Korean films.

4. The Korean Cinema Growth Together Association was launched in October 21, 2011. The Association intends to resolve issues caused by the industry's hierarchical and monopolistic structure in investment, production and distribution and seeks plans to implement standard contracts that will establish a fair trade environment. It is a meeting group which features the participation of large companies in the industry, as well as creative and production entities, film industry labor unions, the Korean Film Council and the Ministry of Culture and Tourism to develop various cooperative projects among companies large and small, with the mutual participation of labor and management, private and public sector and to establish a coordination system within. Since its launch, the Korean Cinema Growth Together Association has been divided into various departments, each overseeing foundation establishment and standardized contracts, creating activities and human resources in order to further develop initiatives and seek solutions. The effort was not wasted and in July 16, 2012, a Korean Cinema Growth Together Action Plan was announced consisting of 13 clauses. An execution task force was organized soon after to draw up an agreement from parties of interest regarding the actions of each clause from the announcement, which then was published on April 8, 2013 in the form of the Annex Agreement to the Korean Cinema Growth Together Action Plan, in 7 clauses.

The Berlin File, RYOO Seung-wan, CJ E&M Corp.



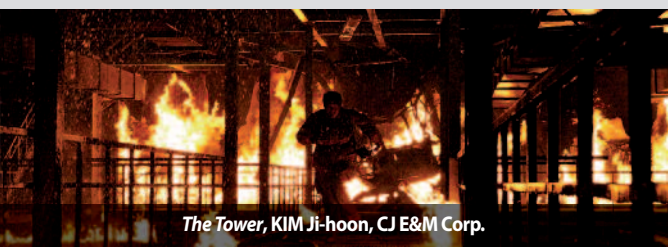
The Attorney, YANG Woo-suk, Next Entertainment World, Inc.(NEW)



New World, PARK Hoon-jung, Next Entertainment World, Inc.(NEW)



The Spy: Undercover Operation, LEE Seung-jun, CJ E&M Corp.



The Tower, KIM Ji-hoon, CJ E&M Corp.

2. MAIN TOPICS

1. Box Office
2. Status of Digital Online Market, 2013
3. Korean Film Production Costs and Returns on Investment
4. Nationwide Theaters and Multiplexes
5. Exports



Snowpiercer, BONG Joon-ho, CJ E&M Corp.

II. Main Topics

1. Box Office

1) Admissions and sales revenue ⁵⁾

During the year 2013, a total of 213.32 million tickets were sold, the highest ever in Korean cinema history. This is 9.5% higher than the 194.89 million in 2012 posting a new record and continuing the positive trend that began in 2010. Admissions for Korean films were 127.37 which was up 11% year-on-year, while international films attracted 86.06 million spectators, an increase of 7.2% from last year. The growth rate for Korean film admissions was higher than that of total admissions and the trend of Korean films leading the growth of overall admissions continues for a second consecutive year. The share for Korean film admissions was 59.7%, which is second only to the 63.8% of 2006 when <The King and The Clown> and <The Host> were released and attracted more than ten million spectators each.

Annual admissions per capita were 4.25. According to Screen Digest, a British research organization on cultural contents industry, annual admissions per capita in 2012 was 4.9 in Iceland, 4 in Singapore, 3.9 in the United States, 3.7 in Australia, and 3.4 in France, which makes

annual admissions per capita in Korea the second highest in the world.

The industry for production and investment in Korean cinema reached its peaks in 2006, the year Bong Joon Ho's <The Host> attracted more than 13 million viewers, currently the second biggest box office hit in Korean film history. The Korean film market share reached 63.8% (a total of 98 million admissions for Korean films) that year. A year later in 2007 the industry started to decline and until 2011 Korean film admissions remained in the range of 60~80 million, failing to exceed 150 million even in combination with international film admissions. During this period, average production costs for Korean films were showing a negative trend while return on investment was also in deficit.

Signs of recovery began in 2011. In that year, films like <War of the Arrows>, <Sunny> and <Punch> attracted more than five million admissions, helping the Korean film market share reach over 50% once again, with total admissions nearing 160 million. Then, in 2012, Korean

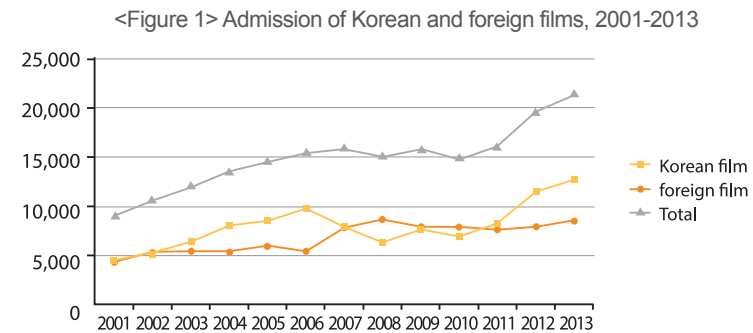
<Table 2> Admissions, market share, admissions per capita for Korean and foreign films, 2003-2013

Year	Korean Films			foreign films			Total Admissions	Admissions per person
	Admissions	Admissions percentage(%)	Admissions per capita	Admissions	Admissions percentage(%)	Admissions per capita		
2003	63,913,246	53.5	1.32	55,562,063	46.5	1.15	119,475,309	2.47
2004	80,188,543	59.3	1.65	54,977,632	40.7	1.13	135,166,175	2.78
2005	85,441,539	58.7	1.75	60,082,637	41.3	1.23	145,524,176	2.98
2006	97,913,570	63.8	2.00	55,499,940	36.2	1.13	153,413,510	3.13
2007	79,393,391	50.0	1.61	79,381,483	50.0	1.61	158,774,874	3.22
2008	63,544,965	42.1	1.28	87,285,714	57.9	1.76	150,830,679	3.04
2009	76,406,156	48.7	1.54	80,554,110	51.3	1.62	156,960,266	3.15
2010	69,397,733	46.5	1.37	79,784,275	53.5	1.58	149,182,008	2.95
2011	82,868,294	51.9	1.63	76,856,171	48.1	1.52	159,724,465	3.15
2012	114,612,866	58.8	2.25	80,277,721	41.2	1.58	194,890,587	3.83
2013	127,269,016	59.7	2.53	86,055,207	40.3	1.71	213,324,223	4.25

For the statistics on theater admissions and sales revenue presented in this annual report, the admission and sales revenue data shown in <Table1>, <Table2>, <Table3>, <Table4> and <Figure1> include admissions and sales revenue earned through re-release, special screenings and film festival screenings in addition to first-run releases. Total admissions (213.32 million), total revenue (KRW 1.55 trillion), and the Korean film market share (59.7%) are all based on this data. Other statistics and tables categorized by projects, distributors, months and countries of origin are all solely based on first-run showing results, excluding admissions and sales revenue from re-releases, special screenings and film festival screenings. Therefore it should be noted that there are some discrepancies between the two sets of data.

film admissions rose to 114 million, up 38% from the year before while total admissions reached about 195 million, turning around the return on investment of Korean films that had been consistently negative since 2007, into a surplus. As of 2012, the production and investment industry for Korean film is perceived to have emerged from the shadows of depression.

There was an upside to the dark years that took place from 2007 to 2011. During this period it became a norm in the Korean film production investment world to prepare refined and sophisticated plans and make them into films through an effective production management system. By doing so, films that successfully reflected the social and cultural tastes of the theater-going public were pro-



duced within reasonable budgets, which made it possible for the Korean film industry to speed up its growth. Theaters also played a major role in the increase of total admissions. Multiplexes began to expand in the new millennium, making it easier for audiences to access theaters and purchase tickets, and providing an audience-friendly environment.

When the number of theaters recently reached its ceiling, major multiplex chains started to implement

new price policies that provide different ticket prices for different hours of the day, increase the price for golden hours and lowering the price for morning and daytime tickets. At the same time, they have promoted discounts on different websites to enhance their market share. As a result, the unit price per person decreased from 2011 to 2013, yet total admissions grew along with average occupancy rates.

<Table 3> Admissions, box office, admissions per capita by area, 2013

Area	Admissions	Admissions percentage(%)	Box office (KRW)	Market Share(%)	Average Ticket Price (KRW)	Population	Admissions per capita
Seoul	60,089,222	28.2	460,370,349,904	29.7	7,661	9,991,064	6.01
Gyeonggi-do	46,668,034	21.9	338,338,179,000	21.8	7,250	12,080,585	3.86
Busan	17,208,407	8.1	122,315,533,600	7.9	7,108	3,430,473	5.02
Daegu	12,719,708	6.0	89,275,773,500	5.8	7,019	2,471,357	5.15
Gyeongsangnam-do	11,107,326	5.2	77,115,571,900	5.0	6,943	3,263,050	3.40
Incheon	10,610,359	5.0	78,009,550,287	5.0	7,352	2,816,025	3.77
Gwangju	8,323,312	3.9	57,499,025,500	3.7	6,908	1,518,006	5.48
Daejeon	8,024,499	3.8	57,343,638,000	3.7	7,146	1,546,251	5.19
Chungcheongnam-do + Sejong	6,317,504	3.0	44,788,292,500	2.9	7,090	2,147,980	2.94
Gyeongsangbuk-do	6,308,887	3.0	44,372,377,000	2.9	7,033	2,642,329	2.39
Jeollabuk-do	6,105,187	2.9	42,122,475,000	2.7	6,899	1,803,230	3.39
Chungcheongbuk-do	5,369,229	2.5	36,781,479,500	2.4	6,850	1,561,471	3.44
Gangwon-do	4,791,155	2.2	33,932,676,530	2.2	7,082	1,504,986	3.18
Ulsan	4,215,968	2.0	31,170,904,000	2.0	7,394	1,120,444	3.76
Jeollanam-do	3,625,129	1.7	24,644,742,000	1.6	6,798	1,762,178	2.06
Jeju-do	1,840,297	0.9	13,084,154,000	0.8	7,110	560,240	3.28
Total	213,324,223	100.0	1,551,164,722,221	100.0	7,271	50,219,669	4.25

Annual theater admissions in the 16 regions across the country show that Seoul has the highest number of admissions with 60.09 million or 28.2% of nationwide admissions. It was followed by Gyeonggi-do with 46.67 million and Busan coming in third with 17.21 million. Meanwhile, Seoul ranked top in regional admissions per capita with 6.01 annual visits. Gwangju was next

with 5.48 visits, securing second place for the third consecutive year. Daejeon, Daegu and Busan were next in line. Admissions per capita in these cities were all above five, indicating that audiences living in large cities where multiplexes are concentrated go to the movies more frequently. A similar trend was observed the previous year.

<Table 4> Average ticket price by year, 2003-2013

year	admissions (10,000)	Box Office (KRW 100 million)	average ticket price (KRW)
2003	11,948	7,171	6,002
2004	13,517	8,498	6,287
2005	14,552	8,981	6,172
2006	15,341	9,256	6,034
2007	15,877	9,918	6,247
2008	15,083	9,794	6,494
2009	15,696	10,940	6,970
2010	14,681	11,514	7,834
2011	15,972	12,362	7,737
2012	19,489	14,551	7,466
2013	21,332	15,512	7,271

Admissions in 2013 increased 9.5% year-on-year, while ticket sales revenue failed to grow as aggressively, with its growth rate remaining at 6.6%. The average ticket price was KRW 7,271, down 2.6% from 2012. This trend where admissions have increased while the box office growth rate has been lower than the admissions growth due to a drop in average ticket prices has been a consistent phenomenon observed from 2010 through 2012. This is due to the continuing drop in 3D film admissions following the acute growth prompted by <Avatar> in 2010 and the discount promotions on theater websites to overcome the escalation of competition among theaters.

2) Box office by month

There are four major high seasons in Korean theaters – Lunar New Year (January or February), summers (July-August), Chuseok holidays (September or October) and year-end holidays. Of these, Korean film admissions are traditionally high during the Lunar New Year and Chuseok seasons in particular. On the other hand, summer and year-end seasons are when Korean and Holly-

wood films play a tug-of-war with audiences, and normally in years when Korean films succeed to sell more tickets than Hollywood films during these two seasons, it is not only the yearly Korean film market share that increases but also the overall admissions.

In 2007 through 2010 when the Korean film market was less than 50%, Korean films had an upper hand in the Lunar New Year and Chuseok holidays while foreign films were predominant in the summer and year-end seasons. However in 2011 and 2012, Korean and foreign films were neck-and-neck with each other in the summer and year-end while in 2013, Korean films sold more tickets than foreign films in all seasons.

Among the top 10 films of the 2013 box office, <Miracle in Cell No.7> and <The Berlin File> were released during the Lunar New Year season, <The Face Reader> in the Chuseok holidays, <Snowpiercer>, <Hide and Seek>, <The Terror, LIVE> and <Cold Eyes> in the summer, and <The Attorney> at the end of the year, all of them were released in the traditional high seasons. <Iron Man 3> and <Secretly Greatly> were each released in April and June, during the off seasons.

<Table 5> Monthly, quarterly, half-yearly market share of Korean and foreign films, 2013

Category	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Korean film admissions	11,987,361	18,086,062	8,373,657	4,467,059	4,328,255	8,247,054	8,499,714	21,942,994	12,785,922	9,286,807	7,327,195	11,776,467	127,108,547
Monthly market share	59.0%	83.5%	63.2%	39.9%	30.7%	47.2%	45.3%	75.5%	66.7%	69.2%	55.2%	56.9%	59.9%
Quarterly market share	69.6%			39.9%			64.5%			59.9%			
Half-yearly marketshare	56.7%						62.6%						
foreign film admissions	8,319,854	3,570,603	4,865,458	6,725,272	9,756,235	9,223,267	10,248,207	7,124,497	6,385,923	4,128,547	5,949,436	8,924,645	85,221,944
Monthly marketshare	41.0%	16.5%	36.8%	60.1%	69.3%	52.8%	54.7%	24.5%	33.3%	30.8%	44.8%	43.1%	40.1%
Quarterly market share	30.4%			60.1%			35.5%			40.1%			
Half-yearly market share	43.3%						37.4%						
Total	20,307,215	21,656,665	13,239,115	11,192,331	14,084,490	17,470,321	18,747,921	29,067,491	19,171,845	13,415,354	13,276,631	20,701,112	212,330,491

In early 2013, <Les Miserables> and <The Tower>, released in December 2012, continued their successful runs, each selling 2.7 million and 3.17 million tickets in the month of January 2013 alone. Then Ang LEE's 3D film <Life of Pi> was released on New Year's Day and the Korean film <Man on the Edge> topped the list until there were new releases during the Lunar New Year holidays. The two films attracted 1.59 million and 3.89

million to theaters, respectively.

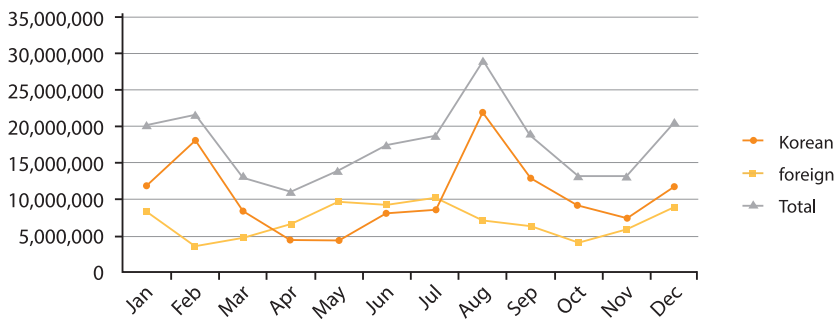
The three main contestants during the 2013 Lunar New Year holidays were the two Korean films <Miracle in Cell No.7> and <The Berlin File>, and Hollywood's <A Good Day to Die Hard>. <Miracle in Cell No.7> was released on January 23rd, two weeks ahead of the holidays and was in the theaters for about a month and a half, eventually accruing 12.81 million viewers, ranking number one in

terms of admissions in 2013. <The Berlin File> premiered on January 30th, a week after <Miracle in Cell No.7> and attracted 7.17 million admissions during the season. It was ranked number five at the 2013 box office, and was the highest score for director RYOO Seung-wan. On the other hand, <A Good Day to Die Hard> was the only Hollywood film of the season, yet it only reached 1.44 million admissions.

<Table 6> Monthly admissions by country of origin, 2013

Month	Korean				foreign				Total		
	No. of films released	Admissions	Market Share(%)	Monthly percentage(%)	No. of films released	Admissions	Market Share(%)	Monthly percentage(%)	No. of films released	Admissions	Monthly percentage(%)
01	12	11,987,361	59.0	9.4	54	8,319,854	41.0	9.8	66	20,307,215	7.3
02	11	18,086,062	83.5	14.2	45	3,570,603	16.5	4.2	56	21,656,665	6.2
03	13	8,373,657	63.2	6.6	56	4,865,458	36.8	5.7	69	13,239,115	7.6
04	9	4,467,059	39.9	3.5	43	6,725,272	60.1	7.9	52	11,192,331	5.7
05	13	4,328,255	30.7	3.4	62	9,756,235	69.3	11.4	75	14,084,490	8.3
06	11	8,247,054	47.2	6.5	65	9,223,267	52.8	10.8	76	17,470,321	8.4
07	13	8,499,714	45.3	6.7	67	10,248,207	54.7	12.0	80	18,747,921	8.8
08	22	21,942,994	75.5	17.3	78	7,124,497	24.5	8.4	100	29,067,491	11.0
09	12	12,785,922	66.7	10.1	53	6,385,923	33.3	7.5	65	19,171,845	7.2
10	27	9,286,807	69.2	7.3	61	4,128,547	30.8	4.8	88	13,415,354	9.7
11	25	7,327,195	55.2	5.8	69	5,949,436	44.8	7.0	94	13,276,631	10.4
12	15	11,776,467	56.9	9.3	69	8,924,645	43.1	10.5	84	20,701,112	9.3
Total	183	127,108,547	59.9	100.0	722	85,221,944	40.1	100.0	905	212,330,491	100.0

<Figure 2> Monthly admissions by country of origin, 2013



March through June is the year's off-season and Hollywood films often sell more tickets than Korean films. During this period in 2013, the biggest hit was <Iron Man 3>, which was released on April 25th with nine million tickets sold, ranking at number one for international films, and number four overall. The admissions score for <Iron Man 3> is only second to <Avatar>⁶ among all international films released in Korea. After its success with <Avengers> in 2012 (7.08 million admissions), which targeted the family months of April and May, Sony Pictures Releasing Walt Disney Studios Korea won the jackpot once again with <Iron Man 3> in 2013.

Although the time between March and June is traditionally a low season with admission numbers that are relatively low compared to other seasons, total admissions numbers during this period in 2013 were much higher than usual. Korean films released at the time, which included <Secretly Greatly> (6.96 million viewers, released June 5th), <New World> (4.68 million viewers, released Feb-

ruary 21st), and <Montage> (2.1 million viewers, released May 16th), performed very well while Hollywood films like <World War Z> (5.24 million viewers, released June 20th) and <Man of Steel> (2.18 million viewers, released June 13th) also attracted large audiences.

Opening its doors with the Korean film <Cold Eyes> (released June 3rd), the summer season battle came to an end with an absolute victory won by domestic films. Admissions in the month of August in particular were unprecedented, reaching almost 30 million. Korean films screened during this period included <Cold Eyes> (5.51 million viewers), <The Terror, LIVE> (5.58 million viewers, released June 31st), <Snowpiercer> (9.34 million viewers, released August 1st), <Hide and Seek> (5.6 million viewers, released August 14th), and <The Flu> (3.12 million viewers, released August 14th), all of which attracted more than three million spectators.

Meanwhile director KIM Yong-hwa's 3D feature <Mr. Go>, based on the comics of the same title by

cartoonist HUR Young-man, was released on July 17th but sold merely 1.33 million tickets. KRW 30 billion was invested in the film yet it failed to reach its break-even point. Nevertheless, the film is significant as it contributed greatly to the technical development of Korean cinema through the accumulation of 3D production skills and the imaging of virtual characters using VFX technology.

On the other hand, during the summer season, only two international films managed to sell more than two million tickets; <Pacific Rim> (2.54 million admissions, released July 11th) and <Red 2> (three million admissions, released June 18th). Moreover, when taking into account that <Red 2> was distributed by Lotte Entertainment, it was a rare year where Hollywood distributors failed in the summer season. The year before, Hollywood distributors performed quite well as witnessed by the successes of <The Dark Knight Rises> by Warner Bros. (6.4 million admissions, released July 19th, 2012) and <The Amazing Spider-Man> by Sony Pictures Releasing Walt Disney Studios (4.85 million admissions, released June 28th, 2012). The success story of the Chuseok season 2013 was the Korean film <The Spy: Undercover Operation> (3.44 million admissions, released September 5th) and <The Face Reader> (9.13 million admissions, released September 11th). Among international films, the American horror film <The Conjuring> dis-

6. Released in 2009, <Avatar> remains the top grossing film for both overall and international film rankings (13.62 million admissions). It is followed by <The Host> (13.01 million, 2006), <The Thieves> (12.98 million, 2012), <Miracle in Cell No.7> (12.81 million, 2013), and <Masquerade> (12.32 million, 2012). Recently it is not uncommon for films to sell more than 12 million tickets and perhaps <Avatar> is soon destined to give up its number one place to another movie. However, Korea bases its film rankings on admissions and not sales revenue. If the rankings are decided by ticket sales revenue <Avatar> will be able to keep its place for quite some time since <Avatar> had a high portion of 3D screenings with relatively high ticket prices.

tributed by Warner Bros. (2.26 million admissions, released September 17th) was a surprise hit during the season. Despite the lack of uncomfortable sounds, horrific visuals or buckets of gore, the film became the talk of the town as word of its effective scares spread over the web and SNS. Before the start of the year-end season, Korean films that were welcomed in theaters during October and November were new projects by seasoned directors. LEE Joon-ik's <Hope> was released on October 2nd and sold 2.71 million tickets while JANG Joon-hwan's <Hwayi: A Monster Boy> hit theaters on October 9th to attract 2.39 million viewers.

On the international side, the opening film of the 70th Venice Film Festival <Gravity>, a 3D movie by Alfonso CUARÓN, was released on October 17th and successfully sold 3.13 million tickets. Then on October 30th, the Hollywood blockbuster <Thor: The Dark World> was released and sold 3.04 million tickets, adding its name to the hit list of the period. Year-end theaters were also dominated by Korean films like <The Attorney> and <The Suspect>. Released on December 18th, 2013, <The Attorney> continued screening into 2014 with 10.16 million spectators as of January 19th, 2014. Actor SONG Kang-ho, who played the role

of the former President ROH Moo-hyun, starred in a total of three films released in 2013: <Snowpiercer>, <The Face Reader> and <The Attorney>. All three were big hits that attracted over nine million admissions each. <The Suspect> was director WON Shin-yun's third feature and followed his last work <7 Days> (2.12 million viewers, released in 2007). Released on December 24th, 2013, <The Suspect> continued screening in the New Year with 4.06 million tickets sold as of January 19th, 2014. Among international films, <About Time>, released on December 5th, continued showing in January, 2014 with over three million tickets sold so far.

3) Mega Hits

The market in 2013 was led by Korean films, with nine out of the top ten films being Korean. Even compared to 2012 when seven out of the top ten were Korean films, their dominance has increased further. From <Miracle in Cell No.7>, <Snow-

piercer>, <The Face Reader>, <The Berlin File>, <Secretly Greatly>, <The Attorney>, <Hide and Seek>, and <The Terror, LIVE> to <Cold Eyes>, Korean films that made it on the list cover various genres ranging from comedy drama, action, epic, contem-

porary history and thriller. Such diversity in genre, which was based on planning, effective production management and directing skills, is thought to be one of the major factors in the sustained growth of recent Korean film admissions.

<Table 7> Box office results for the Top 20 films released in Korea, 2013

Rank	Title	Release date	Rating	Country of Origin	No. of Screens Nationwide	Sales revenue Nationwide	Admissions Nationwide	Distributor
1	Miracle in Cell No.7	2013-01-23	15+	Korea	787	91,429,295,670	12,810,776	Next Entertainment World, Inc.(NEW)
2	Snowpiercer	2013-08-01	15+	Korea	1,128	66,951,128,500	9,341,747	CJ E&M Corp.
3	The Face Reader	2013-09-11	15+	Korea	1,190	66,004,775,500	9,134,463	Showbox/Mediaplex, Inc.
4	Iron Man 3	2013-04-25	12+	US	1,381	70,806,191,000	9,001,309	Sony Pictures Releasing Walt Disney Studio Korea, Inc.
5	The Berlin File	2013-01-30	15+	Korea	894	52,354,771,637	7,166,177	CJ E&M Corp.
6	Secretly Greatly*	2013-06-05	15+	Korea	1,341	48,735,214,913	6,963,821	Showbox/Mediaplex, Inc.
7	The Attorney	2013-12-18	15+	Korea	923	40,952,697,500	5,686,919	Next Entertainment World, Inc.(NEW)
8	Hide and Seek	2013-08-14	15+	Korea	779	39,602,987,500	5,604,104	Next Entertainment World, Inc.(NEW)
9	The Terror, LIVE	2013-07-31	15+	Korea	743	39,834,696,881	5,579,125	Lotte shopping Lotte Entertainment Co.,Ltd
10	Cold Eyes	2013-07-03	15+	Korea	949	39,371,354,179	5,506,770	Next Entertainment World, Inc.(NEW)

<Table 7> Box office results for the Top 20 films released in Korea, 2013

Rank	Title	Release date	Rating	Country of Origin	No. of Screens Nationwide	Sales revenue Nationwide	Admissions Nationwide	Distributor
11	World War Z	2013-06-20	15+	US	964	38,554,957,000	5,237,519	Lotte shopping Lotte Entertainment Co.,Ltd
12	New World	2013-02-21	18+	Korea	671	34,880,882,905	4,682,418	Next Entertainment World, Inc.(NEW)
13	Man on the Edge	2013-01-09	15+	Korea	599	28,343,986,569	3,893,216	Showbox/Mediaplex, Inc.
14	The Spy : Undercover Operation	2013-09-05	15+	Korea	785	24,508,067,305	3,435,596	CJ E&M Corp.
15	Gravity	2013-10-17	12+	US	636	31,214,085,600	3,194,698	Warner Bros. Korea
16	The Tower	2012-12-25	12+	Korea	617	22,996,601,500	3,166,425	CJ E&M Corp.
17	The Flu	2013-08-14	15+	Korea	806	21,783,151,000	3,118,847	I Love Cinema co., Ltd.
18	Thor: The Dark World	2013-10-30	12+	US	733	22,525,597,500	3,039,860	Sony Pictures Releasing Walt Disney Studio Korea, Inc.
19	Red 2	2013-07-18	15+	US	738	21,491,288,970	3,001,842	Lotte shopping Lotte Entertainment Co.,Ltd
20	Friend : The Great Legacy	2013-11-14	18+	Korea	968	21,795,038,513	2,969,874	Lotte shopping Lotte Entertainment Co.,Ltd

* Admissions for <Secretly Greatly> includes 4,738 viewers for the expanded version. Total admissions for <The Tower> would be 5,271,014 if the 2,104,589 from 2012 are added.

Meanwhile, although overall foreign film admissions for 2013 grew 7.2% year-on-year, due to the overwhelming performance of the Korean films, only <Iron Man 3> made it to the top 10. Even after extending the list to

the Top 20, there are only four foreign films besides <Iron Man 3>. These are <World War Z>, <Gravity>, <Thor: The Dark World> and <Red 2>.

<Table 8> Box office results for the top 10 Korean films, 2013

Rank	Title	Director	Release date	Rating	No. of Screens Nationwide	Sales revenue Nationwide	Admissions Nationwide	Production	Distributor
1	Miracle in Cell No.7	LEE Hwan-kyung	2013-01-23	15+	787	91,429,295,670	12,810,776	FineWorks, CL Entertainment	Next Entertainment World, Inc.(NEW)
2	Snowpiercer	BONG Joon-ho	2013-08-01	15+	1,128	66,951,128,500	9,341,747	Moho Film, OPUS Pictures	CJ E&M Corp.
3	The Face Reader	HAN Jae-rim	2013-09-11	15+	1,190	66,004,775,500	9,134,463	JupiterFilm, Showbox/Mediaplex, Inc.	Showbox/Mediaplex, Inc.
4	The Berlin File	RYOO Seung-wan	2013-01-30	15+	894	52,354,771,637	7,166,177	Filmmaker R&K, CJ E&M Corp.	CJ E&M Corp.
5	Secretly Greatly*	JANG Cheol-soo	2013-06-05	15+	1,341	48,735,214,913	6,963,821	MCMC	Showbox/Mediaplex, Inc.
6	The Attorney*	YANG Woo-suk	2013-12-18	15+	923	40,952,697,500	5,686,919	Withus Film	Next Entertainment World, Inc.(NEW)
7	Hide and Seek	HUH Jung	2013-08-14	15+	779	39,602,987,500	5,604,104	Dream Catcher	Next Entertainment World, Inc.(NEW)
8	The Terror, LIVE	KIM Byung-woo	2013-07-31	15+	743	39,834,696,881	5,579,125	Film Production CINE2000	Lotte shopping Lotte Entertainment Co.,Ltd
9	Cold Eyes	CHO Ui-seok, KIM Byeong-seo	2013-07-03	15+	949	39,371,354,179	5,506,770	ZIP CINEMA	Next Entertainment World, Inc.(NEW)
10	New World	PARK Hoon-jung	2013-02-21	18+	671	34,880,882,905	4,682,418	Sanai Pictures, PEPPERMINT & COMPANY Co., Ltd, Ghiahn Culturetainment, Partners K	Next Entertainment World, Inc.(NEW)

* <Secretly Greatly> includes 4,738 viewers for the expanded version while <The Attorney> was still showing in theaters as of January 19th, 2014.

<Table 9> Box office results for the top 10 foreign films, 2013

Rank	Title	Release date	Sales Revenue (KRW 1 million)	Admissions	Country of Origin	No. of Screens Nationwide	Distributor
1	Iron Man 3	2013-04-25	70,806	9,001,309	US	1,381	Sony Pictures Releasing Walt Disney Studio Korea, Inc.
2	World War Z	2013-06-20	38,555	5,237,519	US	964	Lotte shopping Lotte Entertainment Co.,Ltd
3	Gravity	2013-10-17	31,214	3,194,698	US	636	Warner Bros. Korea
4	Thor: The Dark World	2013-10-30	22,526	3,039,860	US	733	Sony Pictures Releasing Walt Disney Studio Korea, Inc.
5	Red 2	2013-07-18	21,491	3,001,842	US	738	Lotte shopping Lotte Entertainment Co.,Ltd
6	About Time	2013-12-05	20,912	2,856,346	UK	568	Universal Pictures International Korea Ltd.
7	Now You See Me	2013-08-22	19,146	2,718,153	US	691	Lotte shopping Lotte Entertainment Co.,Ltd
8	Les Miserables	2012-12-19	19,616	2,701,783	US	696	Universal Pictures International Korea Ltd.
9	Pacific Rim	2013-07-11	20,476	2,538,963	US	1,005	Warner Bros. Korea
10	The Conjuring	2013-09-17	16,353	2,262,718	US	553	Warner Bros. Korea

※ <Les Miserables> attracted a total of 5,911,890 viewers combined with 3,210,107 from 2012. Ticket sales from January 2014 are not included for <About Time>.

4) 3D Films

In 2013, 50 3D films were released, which is less than 2012 with significant decreases in both admissions and ticket sales revenue. Ticket sales revenue of first run 3D screenings increased sharply in 2010 with <Avatar> in the lead with over 4.53 million watching the film in 2D

out of the total 13.62 million admissions and <How To Train Your Dragon>, <Shrek Forever After>, and <Toy Story 3> each attracting more than one million spectators. The numbers have been dropping ever since.

<Table 10> Change in 3D film admissions and sales revenue, 2009-2013

Category	2009	2010	2011	2012	2013
Total no. of films released	361	426	439	631	905
No. of films released in 3D	11	33	48	62	50
Total Admissions	156,960,266	149,182,008	159,724,465	194,890,587	213,324,223
3D film admissions	1,943,551	16,944,377	15,378,742	10,684,602	7,365,891
3D as % of total admissions	1.2	11.4	9.6	5.5	3.5
Total gross (KRW)	1,094,081,091,868	1,168,418,291,465	1,235,799,464,200	1,455,140,354,435	1,551,164,722,221
3D gross (KRW)	21,431,232,500	191,347,425,000	175,681,966,100	121,420,070,488	89,236,254,100
3D as % of total gross	2.0	16.4	14.2	8.3	5.8

The top performing 3D film in 2013 was <Gravity>. Of its 3.19 million total admissions, 1.51 million chose to watch it in 3D while 3D ticket sales accounted for 62% of its total revenue. It was followed by <Iron Man 3> with 1.43 million, or 15.9% of its total admissions, and

<Life of Pi> at third place with 851,428 or 53.6% of its 1.59 million viewers. <Mr. Go> attracted 97,000 3D viewers, 7.7% of its 1.33 million total ticket sales, which was the highest for a Korean film.

It appears as though Korean audiences no longer ap-

preciate 3D cinema as a 'new experience.' They have different standards in choosing films to watch in 3D and in other formats, being selective towards 3D films depending on the character of the film. Once again it is

confirmed that state of the art technology is only industrially significant when it is effectively and unnoticeably blended into the film.

<Table 11> Top 10 3D releases, 2013

Rank	Title	Release date	Distributor	Total 3D Admissions	3D as % of Total admissions	3D Gross	3D as % of Total Gross	Total Admissions	Total Gross
1	Gravity	20131017	Warner Bros. Korea	1,505,394	47.1	19,363,299,100	62.0	3,194,698	31,214,085,600
2	Iron Man 3	20130425	Sony Pictures Releasing Walt Disney Studio Korea, Inc.	1,434,398	15.9	17,202,360,000	24.3	9,001,309	70,806,191,000
3	Life of Pi	20130101	20th Century Fox Korea	851,428	53.6	10,523,872,000	66.6	1,588,373	15,812,506,500
4	Pacific Rim	20130711	Warner Bros. Korea	436,508	17.2	5,589,833,000	27.3	2,538,963	20,476,314,512
5	The Hobbit : The Desolation of Smaug	20131212	Warner Bros. Korea	367,795	17.4	4,516,846,000	27.3	2,116,437	16,570,524,549
6	Man of Steel	20130613	Warner Bros. Korea	262,535	12.0	3,413,505,500	20.0	2,182,227	17,092,964,063
7	Thor : The Dark World	20131030	Sony Pictures Releasing Walt Disney Studio Korea, Inc.	228,301	7.5	2,857,258,500	12.7	3,039,860	22,525,597,500
8	G.I.Joe : Retaliation	20130328	CJ E&M Corp.	226,775	12.2	2,793,446,500	19.3	1,855,917	14,457,048,500
9	Walking with Dinosaurs 3D	20131219	20th Century Fox Korea	203,814	40.2	2,107,715,000	50.9	507,158	4,140,874,000
10	Hotel Transylvania	20130117	Sony Pictures Releasing Walt Disney Studio Korea, Inc.	110,684	12.5	1,099,535,500	18.1	884,885	6,080,221,500

5) Admission by ratings

The number of Korean films and foreign film imports is on the rise. Based on the films sorted by the Korea Media Ratings Board, there were 207 Korean films produced and 846 foreign films imported in 2013, three and 125 films more than 2012.

Along with the increase in production and imports, the number of released films is also growing. In 2013 a total of 905 films were released in theaters, a great leap from the 631 in 2012. While the IPTV ancillary market emerged as a major alternative for cinema distribution, films that wish to add a line of 'released in the theaters' to their description just as erotic films had done in the past are being imported and released in large numbers. Nevertheless, the extent of theater releases of these films is very limited.

Of the top 10 Korean films, nine were rated age 15 and above. As a result, admissions to Korean films rated 15

and above took up 78.7% of total Korean film ticket sales. On the other hand, admissions to Korean films classified as all viewers made up only 1.3%, with 12 and 7.0% of the total. Admissions to films rated 15+ largely increased while films rated all and 12+ decreased their market share year-on-year.

Meanwhile, the percentage for foreign films rated all was 18.7%, 12+ 39.8%, and 15+ 35.3%, with ratings all and 12+ accounting for more than half of total admissions. In other words, when a family with children heads to the theaters in Korea, choices laid out in front of them are leaning heavily towards foreign films. It has been several years since concerns have been voiced on future audiences being exposed to only foreign films instead of Korean films and that there is a possibility Korean cinema is losing its potential in this area. The situation has only escalated in 2013.

<Table 12> Number of Korean film productions and foreign film imports in 2013

Rating	Korean Film	foreign Film	Total
All	28	118	146
12+	25	91	116
15+	55	233	288
18+	94	398	492
Restricted	5	6	11
Total	207	846	1,053

※ Above number of films produced and imported by ratings only includes those films rated by the Korea Media Rating Board in 2013 with a running time of 40 minutes or more, and excludes all accounts of reclassification due to reasons such as change of contents as well as ratings on 3D and dubbed versions.

<Table 13> Number of releases, admissions and sales revenue of Korean films by ratings, 2013

Rating	No. of releases	Percentage of films released(%)	Admissions	Admission percentage(%)	Sales revenue	Sales revenue percentage(%)
All	24	13.1	1,649,710	1.3	11,782,560,328	1.3
12+	20	10.9	8,866,799	7.0	62,211,202,500	6.8
15+	57	31.1	100,011,411	78.7	713,094,453,175	78.4
18+	82	44.8	16,580,627	13.0	122,117,533,867	13.4
Total	183	100.0	127,108,547	100.0	909,205,749,870	100.0

<Table 14> Number of releases, admissions and sales revenue of foreign films by ratings, 2013

Rating	No. of releases	Percentage of films released(%)	Admissions	Admission percentage(%)	Sales revenue	Sales revenue percentage(%)
All	119	16.5	15,952,256	18.7	114,144,934,843	17.9
12+	73	10.1	33,909,629	39.8	265,125,567,667	41.7
15+	205	28.4	29,995,900	35.2	218,371,160,132	34.3
18+	325	45.0	5,364,159	6.3	38,760,688,198	6.1
Total	722	100.0	85,221,944	100.0	636,402,350,840	100.0

<Table 15> Number of releases, admissions and sales revenue of all films by ratings, 2013

Rating	No. of releases	Percentage of films released(%)	Admissions	Admission percentage(%)	Sales revenue	Sales revenue percentage(%)
All	143	15.8	17,601,966	8.3	125,927,495,171	8.1
12+	93	10.3	42,776,428	20.1	327,336,770,167	21.2
15+	262	29.0	130,007,311	61.2	931,465,613,307	60.3
18+	407	45.0	21,944,786	10.3	160,878,222,065	10.4
Total	905	100.0	212,330,491	100.0	1,545,608,100,710	100.0

6) Admissions by country of origin: Korean film secure 60% share

As mentioned before, theaters in 2013 was buoyed by Korean films just like they were in 2012. In all the seasons of Lunar New Year, summer, Chuseok(Korean Thanksgiving Day) and year-end, Korean film admissions dominated the market. Thus the admissions share of Korean film was 59.9% for all released films except for second-runs and special screenings in film festivals. Comparatively, the admissions share of films from the US was 35.5% and for films from all other countries other than Korea and the US it was 4.6% with only 9.93 million viewers. This is down from 6.4% in 2012, and less than the 12.94 million viewers of that year, even from the ticket sales point of view.

Of those films made in countries other than Korea and

America, the biggest success was <About Time> from the UK, which attracted 2.86 million viewers by the end of 2013 (accumulated admissions as of January 19, 2014 were 3.36 million). Second in line was <The Impossible>, starring Naomi Watts and Ewan McGregor, which sold 620,000 tickets. Other films that managed to yield some results were the Chinese film <Chinese Zodiac> directed by Jackie CHAN (320,000 spectators), and <Detective Conan: Strategy Above the Depths>, a Japanese TV animation for children adapted for the screen.

Audiences continue to flock towards large-scale blockbusters that are talked about a lot, and admissions are concentrated towards Korean and Hollywood films accordingly.

<Table 16> Share by country of origin, 2013

Country of origin		Category	No. of films	Sales revenue nationwide (KRW 1 million)	Revenue share(%)	Admissions	Admissions share(%)
Korea		Screened	217	909,206	58.8	127,108,547	59.9
		Released	183	879,129	59.1	122,969,421	60.2
US	US direct distribution	Screened	50	381,986	24.7	49,599,370	23.4
		Released	46	358,533	24.1	46,381,381	22.7
	US import	Screened	229	186,276	12.1	25,696,169	12.1
		Released	219	185,912	12.5	25,646,286	12.5
	Subtotal	Screened	279	568,262	36.8	75,295,539	35.5
		Released	265	544,445	36.6	72,027,667	35.2
China		Screened	56	4,410	0.3	675,799	0.3
		Released	54	4,405	0.3	675,032	0.3
Europe		Screened	219	45,629	2.9	6,507,117	3.1
		Released	188	43,764	3.1	6,251,856	3.1
Japan		Screened	178	11,843	0.8	1,796,488	0.8
		Released	171	11,636	0.8	1,758,011	0.9
Others		Screened	48	6,259	0.3	947,001	0.4
		Released	44	4,664	0.2	712,796	0.3
Total		Screened	997	1,545,608	100.0	212,330,491	100.0
		Released	905	1,488,043	100.0	204,394,783	100.0

7) Admissions by distributor: CJ E&M ranks top for 11 continuous years, and N.E.W., the emerging Korean film distributor

Once again in 2013, CJ E&M was number one among all distributors (Korean and international films) with the highest admissions share. For 11 years since 2003, the

company has never let go of its place at the top. It was also the top distributor for Korean films in terms of admissions share since 2006 but this year the honor went to N.E.W. (Next Entertainment World). Sony Pictures Releasing Walt Disney Studios was its

counterpart for the foreign films admissions share. Overall, the distribution market in 2013 was led by the four big Korean distributors - CJ E&M, N.E.W, Lotte Entertainment and Showbox/Mediaplex - while major Hollywood distributors like Sony Pic-

ture Releasing Walt Disney Studios, Warner Bros., Universal and 20th Century Fox followed behind. This ranking, with Korean distributors taking the top four and big Hollywood players placing behind, mirrors the performance of 2012.

<Table 17> Annual admission share and ranking by distributors, 2008-2013

Rank	2008			2009			2010			2011			2012			2013		
	Distributor	No. of releases	Admissions share(%)	Distributor	No. of releases	Admissions share(%)	Distributor	No. of releases	Admissions share(%)	Distributor	No. of releases	Admissions share(%)	Distributor	No. of releases	Admissions share(%)	Distributor	No. of releases	Admissions share(%)
1	CJ	37	35.5	CJ	49	33.1	CJ	44	30.5	CJ	37.5	32.7	CJ	43	27.2	CJ	42	21.4
2	Show box	19	11.9	Show box	17	17.4	Fox	12	11.9	Lotte	30.5	15.4	Show box	11	12.8	NEW	21	18.4
3	UPI	13	11.7	Lotte	24	13.5	Lotte	26	11.7	NEW	21.5	9.0	Lotte	46	12.4	Lotte	36.5	14.9
4	Lotte	27	9.9	Sony	21	9.8	Warner	13	10.1	Sony	19	8.5	NEW	16.5	12.1	Show box	13	13.7
5	Sony	15	8.0	Fox	12	9.0	Sony	22	10.1	Show box	15.5	8.3	Sony	18	12.0	Sony	18	9.5
Others		300	22.9	Others	300	17.2	Others	358	25.7	Others	396.5	26.1	Others	586.5	23.5	Others	866.5	22.2
Total		411	100.0	Total	423	100.0	Total	475	100.0	Total	520.5	100.0	Total	721	100.0	Total	997	100.0

※ Number of releases includes films that were first released the year before and had continued to show through the next year.

CJ E&M was in charge of distributing Korean films including <Snowpiercer>, which sold 9.34 million tickets, as well as <The Berlin File> and <The Spy: Undercover Operation>, and foreign films such as <Turbo> and <G.I. Joe: Retaliation>, totaling 45 million tickets with a 21.4% share. Compared to 54 million in 2012, its number of admissions as well as market share has declined, yet the distributor kept its place at the top. N.E.W. was able to come in second largely due to the outstanding performance of Korean films. The com-

pany distributed several Korean hits starting with <Miracle in Cell no.7> and its 12.81 million admissions, <The Attorney> (10.16 million as of January 19, 2014), <Hide and Seek> (5.6 million), <Cold Eyes> (5.51 million), <New World> (4.68 million), <Montage> (2.1 million) and <Love 911> (750,000, 2.48 million together with admissions from December 2012), with total admissions of 39 million with a market share of 18.4%. N.E.W. distributed a total of 21 films in 2013, of which 12 were Korean films. These 12 films alone drew in 37 mil-

lion viewers. Also included in the list of 12 are films that are classified as art or diversity films (<Moebius>, <The Weight>, <The Fake> and <Rough Play>). In the previous year, N.E.W. distributed 11 Korean films which sold 19 million tickets. Making its debut as a Korean film distributor in 2009 with <Lifting King Long>, the company has been growing consistently and finally in 2013 beat out CJ E&M, Showbox/Mediaplex and Lotte Entertainment, the three giant film distributors of Korea, to become number one. Its reason for success can be

found in its swift decision-making process coming from a relatively small organization and bold investment in projects' potentials. Another one of N.E.W's success factors is that it could utilize investment cooperatives with public funding that large companies have limited access to.

Lotte Entertainment came in third with total admissions of 32 million and a 14.9% market share by distributing Korean films such as <The Terror, LIVE> and <Friend: The Great Legacy> along with international films <World War Z> and <Red 2>. Next on the list is Showbox/Mediaplex which distributed 12⁷⁾ Korean films including <Secretly Greatly> and the Chuseok season mega hit <The Face Reader> (9.13 million viewers) along with <Killing Them Softly> from the US, screening a total of 13 films that sold 29 million tickets (13.7% market share) in theaters.

Sony Pictures Releasing Walt Disney Studios is by far the most outstanding Hollywood distributor in terms of admissions, because it distributes films from both Sony and Walt Disney. The number of films the company screened in theaters was 18 in 2013 with total admissions at 20 million (9.5% market share). Of those 18, <Iron Man 3> and <Thor: The Dark World> were big hits, with over nine million and three million ticket sales a piece, but results for other films were not as positive. Following Sony Pictures Releasing Walt Disney Studios

is Warner Bros. at number six, one of the most productive Hollywood distributors of 2013. Although the company only screened eight films this year, the number of tickets it sold (15 million, 7% market share) rivals the admissions number raised with 18 films by Sony Pictures Releasing Walt Disney Studios. Of the eight films Warner screened, <Gravity> (3.2 million), <Pacific Rim> (2.54 million), <The Conjuring> (2.26 million), <Man of Steel> (2.18 million), and <The Hobbit: The Desolation of Smaug> (2.12 million) attracted more than two million spectators each.

Universal Pictures sold ten million tickets from 13 films including <About Time> and <Les Misérables> (market share 4.9%) while 20th Century Fox screened a total of 13 films including the Korean film <Running Man> in addition to <Life of Pi> and <Oblivion> which sold eight million tickets (market share 4.0%), ranking at seven and eight, respectively. 20th Century Fox in particular financed, co-produced and distributed <Running Man> directed by CHO Dong-oh via 20th Century Fox International Production, its subsidiary company. Admissions for the film reached 1.42 million which was not exceptionally high yet counting ancillary sales as well the result was not bad at all for its first case of investment and distribution for a local film. Currently it is producing <Slow Video> by KIM Young-tak, the director of <Hello Ghost> (2010, 2.9 million admissions).

<Table 18> Total market share by distributors, 2013

Rank	Distributor	No. of releases	Total sales revenue (KRW 1 million)	% of total gross	Admissions	% of admissions
1	CJ E&M	42	327,543	21.2	45,387,675	21.4
2	Next Entertainment World, Inc.(NEW)	21	280,011	18.1	39,004,580	18.4
3	Lotte shopping Lotte Entertainment Co.,Ltd	36.5	225,373	14.6	31,570,243	14.9
4	Showbox/Mediaplex, Inc.	13	208,221	13.5	29,168,805	13.7
5	Sony Pictures Releasing Walt Disney Studio Korea, Inc.	18	150,421	9.7	20,166,825	9.5
6	Warner Bros., Korea	8	121,377	7.9	14,910,181	7.0
7	Universal Pictures International Korea Ltd.	13	75,267	4.9	10,351,396	4.9
8	20th Century Fox Korea	13	65,894	4.3	8,450,158	4.0
9	i Love Cinema co., Ltd.	1	21,783	1.4	3,118,847	1.5
10	Cinus Entertainment	15.5	12,597	0.8	1,817,233	0.9
	Others	816	57,122	3.7	8,384,548	3.9
	Total	997	1,545,608	100.0	212,330,491	100.0

7. Expanded version of <Secretly and Greatly> is considered as an individual screening. If the expanded version is not counted separately, the number of films screened by Showbox in 2013 is 12, with 11 Korean films and one international film.

<Table 19> Market share of Korean films by distributors, 2013

Rank	Distributor	No. of releases	Total sales revenue (KRW 1 million)	% of total gross	Admissions	% of admissions
1	Next Entertainment World, Inc.(NEW)	12	268,280	29.5	37,353,107	29.4
2	CJ E&M	25	255,776	28.1	35,556,804	28.0
3	Showbox/Mediaplex, Inc.	12	208,176	22.9	29,162,266	22.9
4	Lotte shopping Lotte Entertainment Co.,Ltd	16	119,830	13.2	16,844,173	13.3
5	i Love Cinema co., Ltd.	1	21,783	2.4	3,118,847	2.5
6	20th Century Fox Korea	1	10,060	1.1	1,422,844	1.1
7	Cinus Entertainment	3	8,528	0.9	1,227,013	1.0
8	Invent Stone corp	5	4,673	0.5	657,069	0.5
9	9ers Entertainment	3	3,394	0.4	511,530	0.4
10	Mains Entertainment	6	2,273	0.3	311,208	0.2
	Others	135	6,432	0.7	943,687	0.7
	Total	217	909,206	100.0	127,108,547	100.0

<Table 20> Market share of foreign films by distributors, 2013

Rank	Distributor	No. of releases	Total sales revenue (KRW 1 million)	% of total gross	Admissions	% of admissions
1	Sony Pictures Releasing Walt Disney Studio Korea, Inc.	18	150,421	23.6	20,166,825	23.7
2	Warner Bros., Korea	8	121,377	19.1	14,910,181	17.5
3	Lotte shopping Lotte Entertainment Co.,Ltd	20.5	105,543	16.6	14,726,070	17.3
4	Universal Pictures International Korea Ltd.	13	75,267	11.8	10,351,396	12.1
5	CJ E&M	17	71,767	11.3	9,830,871	11.5
6	20th Century Fox Korea	12	55,833	8.8	7,027,314	8.2
7	Next Entertainment World, Inc.(NEW)	9	11,731	1.8	1,651,473	1.9
8	SBS Contents Hub	6	5,132	0.8	761,731	0.9
9	Big Picture	13	4,587	0.7	704,108	0.8
10	Cinus Entertainment	13	4,069	0.6	590,220	0.7
	Others	650.5	30,675	4.8	4,501,755	5.3
	Total	780	636,402	100.0	85,221,944	100.0

8) Diversity films: constant decline of diversity films despite overall growth of the market

A total of 342 diversity films were released in 2013, up 47.7% from last year's 232 films, while its percentage against the total number of releases was 37.8%, which is a slight increase year-on-year. Although the release quantity grew dramatically, admissions results markedly declined. Of the total admissions from the Seoul area, the percentage of di-

versity films was a mere 3.1%, and 1.6% on a nationwide basis. Statistics starting from 2005 show that the percentage of diversity film audiences grew every year until 2009 when it was at its height with Seoul area admissions of 9.1%, and nationwide admissions were 6.6% thanks to the success of <Old Partner> (2.99 million nationwide). Since then, despite the growth of the Korean film market, the di-

<Table 21> Diversity film releases and admissions from last 5 years

Category		2009	2010	2011	2012	2013
No. of releases	Total	361	426	439	632	905
	Diversity Film	162	190	197	232	342
	% of diversity film	44.9	44.6	44.9	36.7	37.8
Seoul Admissions	Total	44,948,210	46,278,808	47,880,098	55,822,861	60,089,222
	Diversity Film	4,098,170	2,742,317	2,132,380	1,996,621	1,860,212
	% of diversity film	9.1	5.9	4.5	3.6	3.1
Nationwide Admissions	Total	156,960,266	149,182,008	159,724,465	194,890,587	213,324,223
	Diversity Film	10,375,572	8,097,199	4,766,478	3,692,507	3,431,469
	% of diversity film	6.6	5.4	3.0	1.9	1.6

※ 2009–2012 data refers to Korean Cinema Yearbook 2013, and 2013 data is a combination of diversity film statistics from the integrated theater ticket network and recognized art films of 2013.

versity film market has been on a downward trend. The most controversial diversity movie of 2013 was <Jiseul>. The film's unique way of describing Jeju's April 3 Massacre was much talked about and also won an award from the Sundance Film Festival. Total admissions were over 140,000 nationwide, coming in second in the diversity film admission rankings. Among inter-

national films, Woody Allen's <To Rome with Love> and <Blue Jasmine> each ranked in first and third place while the American films <Silver Linings Playbook> and <A Last Quartet> together with <The Grandmaster> by WONG Kar Wai made it to the top list, most of them by famed directors or critically praised works.

<Table 22> Top 10 diversity film admissions, 2013

Rank	Title	Country of origin	Admissions nationwide	Admissions Seoul area	No. of screens nationwide
1	To Rome With Love	US	180,743	117,098	201
2	Jiseul	Korea	143,715	61,482	81
3	Blue Jasmine	US	140,233	89,675	207
4	Silver Linings Playbook	US	126,420	75,651	226
5	A Last Quartet	US	107,975	69,561	29
6	The Grandmaster	China	101,568	47,391	193
7	Rodencia y el Diente de la Princesa	Peru	98,581	24,021	221
8	The Great Bear	Denmark	78,571	11,937	191
9	The Adventures of Jinbao	China	74,250	12,207	197
10	Oshin	Japan	73,064	31,741	233

Similar observations can be made for Korean films, where works by star directors like HONG Sangsoo, KIM Ki-duk and MIN Kyu-dong, who have longtime fans, can be found on the list. Two documentaries (<On the Road>, <Lazy Hitchhikers' Tour De Europe>) are also ranked on the list.

From other areas of the world, it is worth noting the six animations from European and South American countries of Peru, Denmark, Norway and Italy on the top 20

list, attracting 50~100,000 spectators nationwide. It seems to reflect the general uptrend of family films while aiming at IPTV after their theatrical releases.

As more diversity films are produced, competition is becoming more fierce, making it more difficult for them to be released in theaters. Even if they do make it to screens, it is rare for them to secure a favorable time slot and there is less and less room for them to survive. At this point it is necessary to reestablish the concept and

boundaries of diversity and art film while discussions and review of sup-

port networks are in dire need for diversity films to grow in tandem with

the overall film market.

<Table 23> Top 10 diversity film admissions (Korean film), 2013

Rank	Title	Admissions nationwide	Admissions Seoul area	No. of screens nationwide
1	Jiseul	143,715	61,482	81
2	Our Sunhi	68,697	43,199	39
3	On the Road	53,230	25,595	23
4	Black Gospel	50,985	26,905	143
5	In My End is My Beginning	38,735	14,260	185
6	Moebius	35,347	15,600	128
7	Nobody's Daughter Haewon	34,876	26,400	35
8	If You Were Me 6	31,014	7,626	28
9	Jit	23,052	5,633	159
10	Lazy Hitchhiker's Tour de Europe	22,149	10,922	31

<Table 24> Top 10 diversity film admissions (foreign film), 2013

Rank	Title	Country of origin	Admissions nationwide	Admissions Seoul area	No. of screens nationwide
1	To Rome with Love	US	180,743	117,098	201
2	Blue Jasmine	US	140,233	89,675	207
3	Silver Linings Playbook	US	126,420	75,651	226
4	A Last Quartet	US	107,975	69,561	29
5	The Grandmaster	China	101,568	47,391	193
6	Rodencia y el Diente de la Princesa	Peru	98,581	24,021	221
7	The Great Bear	Denmark	78,571	11,937	191
8	The Adventures of Jinbao	China	74,250	12,207	197
9	Oshin	Japan	73,064	31,741	233
10	Adore	France	71,240	29,994	198

2. Status of Digital Online Market, 2013 ⁸⁾

The digital online market has continued to grow in 2013. Total annual revenue was KRW 267.6 billion in 2013, showing a growth rate of 24.0% compared to 2012. The size of the digital

online market has grown about three times in five years, with revenue of KRW 267.6 billion in 2013 compared to KRW 88.8 billion in 2009. Total market revenue has experienced growth

rates of over 20% every year since market research commenced in 2009.

8. The term 'Digital Online Market' is used to describe the secondary market for film.

<Table 25> Total revenue of the digital online market ⁹⁾ (Unit : KRW 100 million)

Product	2009		2010		2011		2012		2013	
	revenue	YoY growth (%)	revenue	YoY growth (%)	revenue	YoY growth (%)	revenue	YoY growth (%)	revenue	YoY growth (%)
IPTV /Digital Cable	262	-	491	87.4	910	85.3	1,310	44.0	1,737	32.6
Internet VOD	223	-	267	19.7	501	87.6	618	23.4	729	18.0
Packaged products	403	-	351	-12.9	298	-15.1	230	-22.8	210	-8.7
Total	888	-	1,109	24.9	1,709	54.1	2,158	26.3	2,676	24.0

※ The revenue estimate for the N-screen service and the mobile service are included in the 'Internet VOD' revenue estimates.

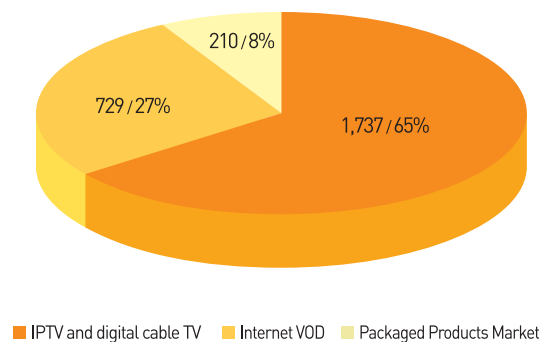
The growth of the digital online market has been led by IPTV and digital cable TV (henceforth TV VOD¹⁰⁾) in 2013. TV VOD claimed a 64.9% market share by achieving KRW 173.7 billion in sales. The share of TV VOD in the digital online market has increased significantly since 2009. It accounted for 29.5% of the market in 2009, 44.3% in 2010, 53.2% in 2011, 60.7% in 2012, and

64.9% in 2013. These numbers confirm that the growth of the digital online market is mainly led by TV VOD. The internet VOD¹¹⁾ category achieved a 27.2% market share, totaling KRW 72.9 billion. The revenue for packaged products showed the lowest share at 7.8%, which recorded KRW 21 billion.

1) IPTV and digital cable TV

There were over seven million IPTV subscribers as of May 2013, and 6.12 million digital cable TV subscribers as of November 2013, totaling over 13 million home installations for IPTV and digital cable TV. The two major factors that drove growth of the TV VOD market were an increased supply of films in the market, as well as an increase in the number of subscribers. The TV VOD market has grown about seven times in five years, recording KRW 173.7 billion in revenue for 2013 compared to KRW 26.2 billion in 2009.

<Figure 3> IPTV and Digital Cable TV market status, 2013 (Unit : KRW 100 million)



<Table 26> Sales revenue for IPTV and digital cable TV market

Category	2009	2010	2011	2012	2013
Amount (KRW 100 million)	262	491	910	1,310	1,737
YoY growth (%)	-	87.4	85.3	44.0	32.6

<Miracle in Cell No.7> was ranked number one among all films watched on TV VOD in 2013. For international films, <Iron Man 3> was ranked number one. The film attracted nine million viewers at the theatres and was

ranked 11th for all box office records in Korea yet it was watched less than half as much as <Miracle in Cell No.7> in the Korean TV VOD market. The top ranked Korean film <Miracle in Cell No.7> was watched 936,004

9. Revenues for IPTV and digital cable are relatively accurate since we were able to use data provided by three IPTV companies and one digital cable company. However, the revenue for Internet VOD is derived by adding sales data obtained from relative companies with estimates calculated from the year-on-year revenue growth rate. Therefore, this data should be used only as reference data of the digital online market.

10. As numerous internet based services emerge only to perish, the term internet VOD may summarize distribution of digital online cinema, yet at this point 'TV VOD' shall refer to IPTV and digital cable services while 'Internet VOD' refers to all other services provided by special type OSPs (online service providers such as Web storage service providers) and common types of OSPs (webpage providers such as Naver).

11. In this report, 'TV VOD' service refers to IPTV and digital cable services whereas 'Internet VOD' refers to services provided by special type OSPs (online service providers such as Web storage service providers), common types of OSPs (webpage providers such as The Naver) and mobile services.

times, whereas <Iron Man 3> was watched 376,820 times. This reflects a recent trend in the success of Korean films at the movie theaters where Korean films occupied the top 10 box office films in 2013 with the

exception of <Iron Man 3>. In addition, reflecting the nature of TV platform, 15+ rated movies that family members can watch together were top-ranked. It is evident from the TV VOD rankings that the most watched

films on TV VOD reflect the rankings at the box office. All top ranked films on IPTV and Digital Cable TV were blockbusters that attracted over a million admissions in theaters.

<Table 27> Total film rankings for IPTV and digital cable TV in 2013

Rank	Title	Sales Revenue	Views
1	Miracle in Cell No.7	5,218,749,353	936,004
2	Masquerade	3,749,410,358	966,222
3	Secretly Greatly	3,746,788,388	626,394
4	New World	3,504,522,769	721,429
5	The Face Reader	3,137,446,575	752,313
6	Man on the Edge	2,578,489,284	666,822
7	The Terror, LIVE	2,522,127,843	430,761
8	Cold Eyes	2,479,203,730	465,485
9	Hide and Seek	2,302,414,109	408,471
10	A Werewolf Boy	2,117,686,245	526,202

<Table 28> Korean film rankings for IPTV and digital cable TV in 2013

Rank	Title	Sales Revenue	Views
1	Miracle in Cell No.7	5,218,749,353	936,004
2	Masquerade	3,749,410,358	966,222
3	Secretly Greatly	3,746,788,388	626,394
4	New World	3,504,522,769	721,429
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8	Cold Eyes	2,479,203,730	465,485
9	Hide and Seek	2,302,414,109	408,471
10	A Werewolf Boy	2,117,686,245	526,202

<Table 29> Foreign film rankings for IPTV and digital cable TV in 2013

Rank	Title	Sales Revenue	Views
1	Iron Man 3	2,087,767,142	376,820
2	Oblivion	1,863,357,722	494,801
3	G.I. Joe2	1,502,657,914	395,646
4	World War Z	1,436,026,561	359,946
5	Elysium	1,336,817,392	224,349
6	Now You See Me	1,281,881,990	228,255
7	Olympus Has Fallen	1,142,399,335	210,118
8	After Earth	1,101,185,457	290,220
9	Pacific Rim	975,999,313	174,569
10	Les Misérables	960,082,795	268,381

2) Internet VOD

While the TV VOD market has been growing steadily each year based on its subscribers, the growth rate in the Internet VOD market has continued to drop and slow down following explosive growth in 2011, marking an 87.6% growth rate. Its revenue was KRW 72.9 billion in 2013, representing an 18% year-on-year increase.

The revenue ratio between common type OSPs and special types was 46.5 to 53.5, with special type OSPs such as Web-hard (web storage devices) accounting for a larger proportion over common type OSPs. However, the difference in revenue between the two types is gradually decreasing, compared to last year.

<Table30> Internet VOD market sales revenue status

Category	2009	2010	2011	2012	2013
Amount (KRW 100 million)	223	267	501	618	729
YoY growth (%)	-	19.7	87.6	23.4	18.0

<New World> was ranked number one among films watched through Internet VOD platforms. Reflecting the fact that internet VOD is a more personalized platform, films rated as teenager restricted exhibited relatively stronger performances compared to TVVOD. For example, <New World> was the only R-rated film that ranked in the top ten in the TVVOD market while three of the R-rated films, <New World>, <Whatcha Wearin>,

and <Hope-Director's cut> ranked in top ten of the Internet VOD market. Korean films were dominant in the Internet VOD category as well as TV VOD, taking up the entire top ten of the Internet VOD film rankings. Many of the R-rated adult films were listed in the top ten for foreign films. This seems to reflect the nature of Internet VOD as a private viewing medium.

<Table 31> Total film rankings for Internet VOD, 2013 ¹²⁾

Rank	Title	Views
1	New World	395,256
2	Masquerade	236,000
3	Miracle in Cell No.7	214,000
4	Whatcha Wearin	167,500
5	The Berlin File	155,000
6	The Face Reader	144,000
7	Hope-Director's cut (including the version that can be watched by audiences over the age of 18)	135,314
8	26 Years	123,430
9	A Werewolf Boy	122,000
10	Secretly Greatly	122,000

12. Rankings for IPTV and digital cable TV films are relatively accurate since they are aggregated data from the entire platform. Internet VOD film ranking should be used only as a reference because the data is based on the companies that responded to inquiries. More accurate aggregation will be possible in the future once the online box offices' integrated network is established.

<Table 32> Korean film rankings for Internet VOD, 2013

Rank	Title	Views
1	New World	395,256
2	Masquerade	236,000
3	Miracle in Cell No.7	214,000
4	Whatcha Wearin	167,500
5	The Berlin File	155,000
6	The Face Reader	144,000
7	Hope-Director's cut(including version which can be viewed by audiences over the age of 18)	135,314
8	26 Years	123,430
9	A Werewolf Boy	122,000
10	Secretly Greatly	122,000

<Table 33> Foreign film rankings for Internet VOD, 2013

Rank	Title	Views
1	Breaking Dawn part2	114,368
2	The Hunger Games	103,851
3	Sex and Zen	86,706
4	Y Tu Mamá También	84,430
5	Caligula	77,894
6	If only	71,159
7	RED	65,217
8	Salon Kitty	62,913
9	Olympus Has Fallen	57,202
10	Breaking Dawnpart1	56,044

Theater blockbusters and Korean films ranked high in terms of revenue generated for T-STORE (mobile contents service) and Hoppin (N screen

service) in 2013, as is the case for the TV VOD and Internet VOD markets. Many of the R-rated films ranked high for the mobile contents service and N

screen service categories, reflecting their nature as media for private viewing (as is the case for Internet VOD).

<Table 34> T-STORE: Sales ranking in 2013 ¹³⁾

Rank	Title
1	Miracle in Cell No.7
2	New World
3	Masquerade
4	A Werewolf Boy
5	Love 911
6	Secretly Greatly
7	Cold Eyes
8	Whatcha Wearin
9	26 Years
10	Return of The Mafia

<Table 35> Hoppin: Sales ranking in 2013

Rank	Title
1	Miracle in Cell No.7
2	New World
3	Masquerade
4	Young Mom
5	Whatcha Wearin
6	Secretly Greatly
7	A Werewolf Boy
8	Cold Eyes
9	The Terror, LIVE
10	Man on the Edge

13. Film sales rankings of T-STORE and Hoppin provided by SK Planet.

Although it is difficult to consolidate the sales of independent films in the Internet VOD market, <Table 36> and <Table 37> show the sales rankings of films for IPTV and Korean independent films on Internet VOD that are

distributed by Indieplug, an online distributor specialized in independent films. We can estimate the most watched Korean independent films based on this information.

<Table 36> Korean independent film rankings for IPTV in 2013 (Distributed by Indieplug)

Rank	Title
1	All Bark, No Bite
2	PADAK
3	Sleepless Night
4	Texture Of Skin
5	A Boy's Sister
6	White Night
7	Bloody Fight in Iron-Rock Valley
8	The Russian Novel
9	Way To Go, Rose
10	Goodbye Homerun

<Table 37> Korean independent film rankings for Internet VOD in 2013 (Distributed by Indieplug)

Rank	Title
1	All Bark, No Bite
2	PADAK
3	Breathless
4	White Night
5	Suddenly Last Summer Going South
6	Too Many Villains
7	You Are More Than Beautiful
8	Stateless Things
9	A Boy's Sister
10	One Night Stand

3) Packaged Products Market

The packaged products market has shown a negative growth rate since the beginning of records in 2009. The size of the packaged products market was KRW 21 billion in 2013, representing an 8.7% decrease compared to the previous year. According to industry experts, the recent revenue for the Blu-ray market has been increasing although the market size for packaged products has been on the downturn overall. This is a notable change considering that Blu-rays had been unpopular in the market until several years ago, due to their high price and the low distribution rate of Blu-ray players in the country. Out of the KRW 21 billion revenue of the packaged products market in 2013, the Blu-ray market share was 46%, approaching a similar market share as DVD (54%).

It is mainly foreign films that can be placed in the category of 'Collectibles,' such as <Les Miserables> and <Iron

Man 3>, which ranked high in packaged product sales. This market platform has a distinctive feature in that the foreign films, which are both successful in the box office and recognized as being high quality, are chosen by consumers that want to make them part of their own collections. For example, <Les Miserables>, which mobilized 5.9 million viewers in theaters and was based on the original bestselling book, ranked high in the packaged product market but not in the TV VOD or Internet VOD markets.

<The Thieves> was the only Korean film that ranked high in this category. Animated films such as <Wreck-It Ralph>, <Monsters University>, <Rapunzel> and <Monsters, Inc.> also ranked high in sales, demonstrating that the major consumers in this category are households with children or animation fans.

<Table 38> Packaged products market size

Category	2009	2010	2011	2012	2013
Amount (KRW 100 million)	403	351	298	230	210
YoY growth (%)	-	-12.9	-15.1	-22.8	-8.7

3. Korean Film Production Costs and Returns on Investment

The total number of Korean films released in 2013 was 182¹⁴⁾, and the total production costs were estimated at KRW 389.48 billion. This represents an increase of KRW 36.26 billion¹⁵⁾ compared to production costs in 2012, which amounted to KRW 353.22 billion. The average total production cost for Korean films in 2013 was KRW 2.14 billion, showing an increase of KRW 110 million compared to the average in 2012. However, this figure is still half the level of average costs for 2003 ~ 2004 which amounted to KRW 4.16 billion.

A particularly notable trend was the constantly increasing market share of low-budget films for theatre releases in Korea since 2008, and the market share in 2013 has further increased

compared to the previous year. The market share for low-budget films released in Korea was at its highest in 2013. There were 125 works considered low-budget films (with less than KRW 1 billion total production costs), representing a 68.3% share of all the films released in Korean theaters. This trend can be mainly attributed to the fact that the so-called 'erotic movies' are now classified as 'theatre releases' if they ran more than one day in theaters, in accordance with changes to the classification system (e.g., what constitutes the 'theatre releases' category) after the expansion of the digital online film market such as IPTV. In addition, the increased number of low budget-films itself may have influenced the market share of low

budget-films.

On the other hand, the average production cost of Korean commercial films¹⁶⁾ released in theaters reached KRW 5.74 billion, showing an increase of KRW 1.06 billion compared to the previous year. More specifically, the average net production costs grew about KRW 1 billion compared to the previous year, whereas the average marketing costs only increased about KRW 60 million. The major reason for the rise in the average production costs is that the budgets for large blockbuster films targeting global markets, such as <Snowpiercer> and <Mr. Go>, created a net increase in budgets overall.

<Table 39> Annual average production costs for Korean films released in theatres

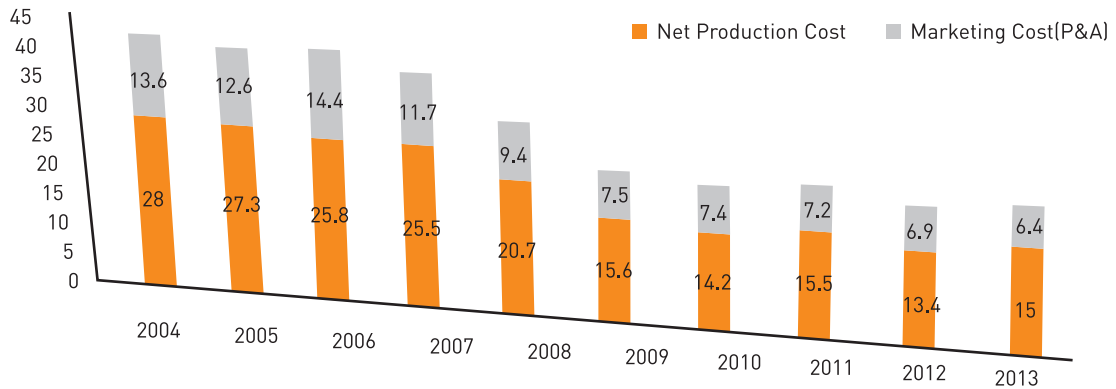
Year	Net Production Cost (A)		Marketing Cost(P&A)(B)		Total Production Cost(A + B)
	Average Net Production Cost (KRW 100 million)	Share (%)	Average Marketing Cost (KRW 100 million)	Share (%)	Average Total Production Cost (KRW 100 million)
2004	28.0	67.3	13.6	32.7	41.6
2005	27.3	68.4	12.6	31.6	39.9
2006	25.8	64.2	14.4	35.8	40.2
2007	25.5	68.5	11.7	31.5	37.2
2008	20.7	68.8	9.4	31.2	30.1
2009	15.6	67.5	7.5	32.5	23.1
2010	14.2	65.7	7.4	34.3	21.6
2011	15.5	68.3	7.2	31.7	22.7
2012	13.4	66.0	6.9	34.0	20.3
2013	15.0	70.1	6.4	29.9	21.4

14. This number excludes <Secretly Greatly (Expanded version)> from the 183 works that were released in theatres in Korea for 2013.

15. Total production costs (estimate) of Korean films in 2013 = The number of films released at the theater in 2013 × Average total production cost in 2013

16. 'Commercial films' refers to the films produced and distributed under commercial initiatives (with total production cost over KRW 1 billion, or releases at more than 100 screens nationwide).

<Figure 4> Breakdown of annual average total production costs for Korean films released in theaters



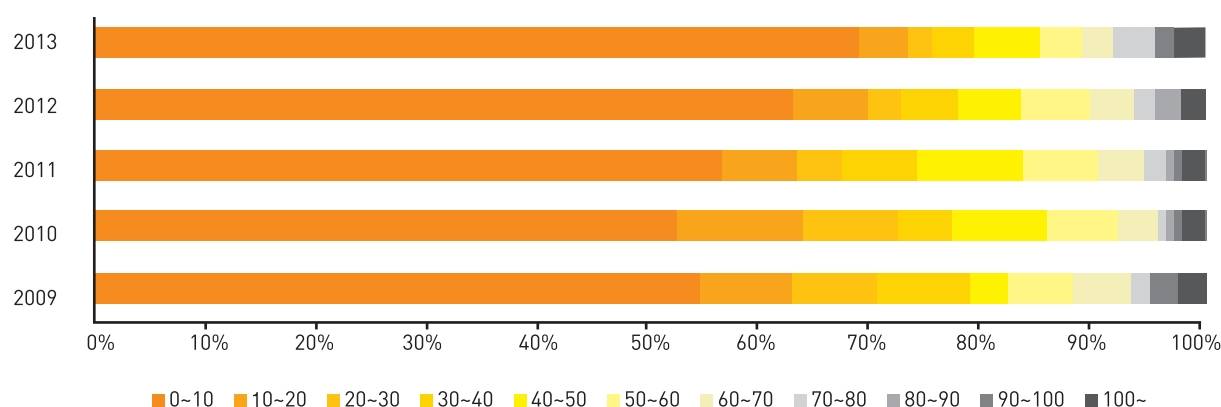
<Table 40> Annual average production costs for Korean commercial films released in theatres

Year	Net Production Cost (A)		Marketing Cost(P&A)(B)		Total Production Cost(A + B)
	Average Net Production Cost (KRW 100 million)	Share (%)	Average Marketing Cost (KRW 100 million)	Share (%)	Average Total Production Cost (KRW 100 million)
2009	30.3	59.1	21.0	40.9	51.3
2010	27.2	64.9	14.7	35.1	41.9
2011	32.5	67.6	15.6	32.4	48.1
2012	30.4	65.0	16.4	35.0	46.8
2013	40.4	70.4	17.0	29.6	57.4

<Table 41> Number of Korean films released in theatres by annual total production cost range

Category (KRW 100 million)		0~10	10~20	20~30	30~40	40~50	50~60	60~70	70~80	80~90	90~100	100~	Total
2009	Number	64	10	9	10	4	7	6	0	2	3	3	118
	Share(%)	54.2	8.5	7.6	8.5	3.4	5.9	5.1	0.0	1.7	2.5	2.5	100.0
2010	Number	73	16	12	7	12	9	5	1	1	1	3	140
	Share(%)	52.1	11.4	8.6	5.0	8.6	6.4	3.6	0.7	0.7	0.7	2.1	100.0
2011	Number	82	10	6	10	14	10	6	3	1	1	3	146
	Share(%)	56.2	6.8	4.1	6.8	9.6	6.8	4.1	2.1	0.7	0.7	2.1	100.0
2012	Number	109	12	5	9	10	11	7	6	1	0	4	174
	Share(%)	62.6	6.9	2.9	5.2	5.7	6.3	4.0	3.5	0.6	0.0	2.3	100.0
2013	Number	125	8	4	7	11	7	5	7	0	3	5	182
	Share(%)	68.7	4.4	2.2	3.8	6.0	3.8	2.8	3.8	0.0	1.7	2.8	100.0

<Figure 5> Ratio of Korean films released in theatres by annual total production cost range



Among the Korean films released in theatres in 2013, there were 63 commercial films¹⁷⁾ that were subject to the Korean film investment profitability analysis. This represents a decrease from the 70 works subject to the analysis in 2012. The average total production costs for these films turned out to be KRW 5.74 billion (Average Net Production Cost: KRW 4.04 billion, Average Marketing Cost: KRW 1.7 billion). This was 2.7 times bigger than the average total production costs of all released films (KRW 2.14 billion). The tentative aggregate of return on investment based on the 63 works that were subject to the analysis conditions was 15.2%. This figure is 1.9 points higher compared to the figure in 2012 (13.3%) although this number

is a tentative aggregated estimate based on basic research on the production cost of Korean films released in theatres and on integrated network data from the Korean ticket offices¹⁸⁾. The 15.2% rate of return for Korean films in 2013 holds significant meaning for the Korean film industry. First of all, the return on investment is the highest value recorded since 2002. In particular, considering that revenues earned overseas, from films targeting global markets such as <Snowpiercer> and <A Wedding Invitation>, are largely not reflected, the final figures calculated for the ROI may turn out to be higher. The ROI results showing double-digit figures for two consecutive years were achieved within an environment that was fa-

vorable to the film market, with historically high numbers of theater turnout and revenue, a sharp increase of Korean films in exports, as well as a continuously growing digital online market. Thus, it could be concluded that the Korean film industry is now entering a stable trajectory, compared to the period from 2006 to 2011, under which the market showed sustained negative returns.

On the other hand, there were 19 films that went over the break-even point (BEP), which is the yardstick of profitability for a film, representing a market share of about 30.2% of the total 63 commercial films. Among those 19 films, eight films exhibited ROIs higher than 100%, accounting for 12.7% of the total number of films.

<Table 42> ROI of Korean films, 2004~2013

(Unit : KRW 1 million)

Category	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Total Revenue	285,462	336,786	388,058	266,927	200,839	245,821	263,449	293,916	438,458	416,121
Total Cost	276,958	312,117	513,640	448,813	355,667	282,945	296,001	344,700	386,873	361,345
Gross Profit	8,504	24,669	-125,582	-181,886	-154,827	-37,123	-32,552	-50,784	51,585	54,776
ROI(%)	3.1*	7.9	-24.5	-40.5	-43.5	-13.1	-11.0	-14.7	13.3	15.2

*2004 ROI is based on sample analysis while starting from 2005, numbers are based on total estimation of Korean films released in theaters during that year.

** Nationwide admissions research commenced in 2004 and after analysis finish on 2004 ROI, total estimation on all theater released films was recalculated and in this case ROI for 2004 was -6.20%.

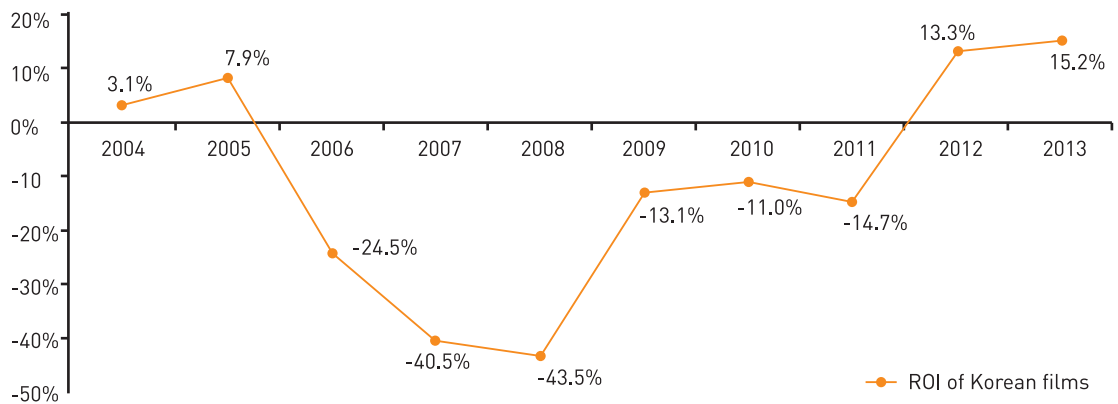
*** From 2010 analysis subjects are limited to those Korean films released in theaters produced and distributed with commercial initiatives. (total production cost less than KRW 1 billion and released on less than 100 screens nationwide)

**** Calculation result for 2013 is an estimate based on the basic research on the production costs of Korean films released in theatres and on integrated network data from the Korean ticket offices.

17. Subjects of investment profitability for Korean films are commonly limited to films produced and distributed in commercial terms. Therefore out of the 182 Korean films released in the theaters in 2013, 119 films with a total production cost that was less than KRW 1 billion and were released in less than 100 screens nationwide are excluded.

18. Overall return on investment for Korean cinema is calculated based on the data retrieved from Integrated theater ticket network (as of January 20, 2014) with estimates on theater sales of each film and other sales revenue (digital online markets (IPTV, etc.), overseas market).

<Figure 6> Annual Trend: ROI of Korean films



<Table 43> ROI of Korean theatrical releases in 2013 (Estimates)

Contents		Korean theatre releases ¹⁹	Note
The number of films subject to the Profitability Analysis		63	
Average Total Production Cost (A)	Average Net Production Cost	4.04 billion won	
	Average Marketing Cost	1.7 billion won	
	Total	5.74 billion won	
Average total Revenue (B)		6.61 billion won	
Average amount of the Return (C= B-A)		0.87 billion won	
Average Return(%)		15.2	
The number of films over the BEP		19	
The ratio of films over the BEP(%)		30.2	
The number of films over the 50% Return		11	Includes the number of films over the 100% Return
The ratio of films over the 50% return (%)		17.5	Includes the ratio over the 100% Return
The number of films over the 100% Return		8	
The ratio of films over the 100% Return(%)		12.7	

4. Nationwide Theaters and Multiplexes

The number of national theaters increased from 314 to 333, representing a 6.1% increase in 2013. The number of screens in 2013 was 2,184, which is the highest figure over the last ten years and represents a 4.9% increase compared to the previous year. Nine theaters and 68 screens were either temporarily or permanently closed

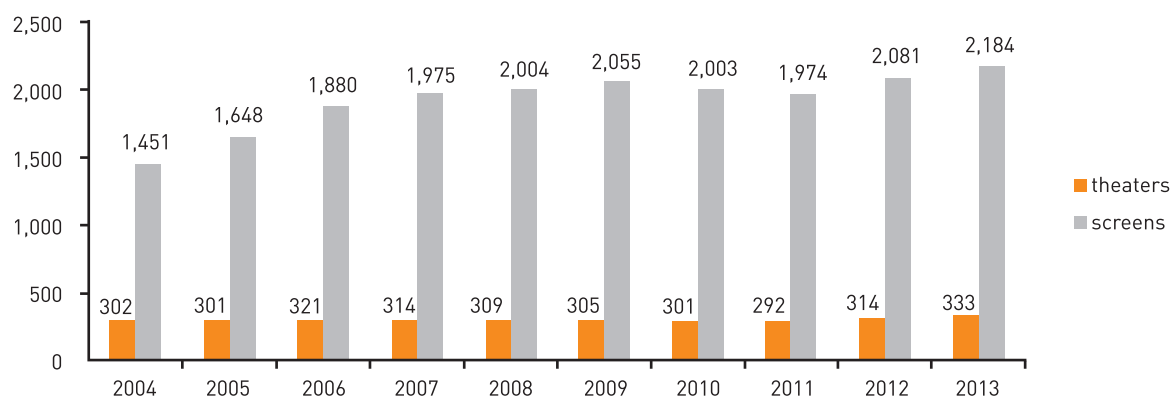
in 2013. There were 859 3D screens in 2013, which shows a 3.5% increase from the 830 screens compared to the previous year. Four new 4D screens were introduced in 2013, and now there are 25 4D screens available in total.

19. Limited to 63 films, by excluding 119 films with a total production cost that's less than KRW 1 billion and were released in less than 100 screens nationwide from the total of 182 Korean films released in the theaters in 2013.

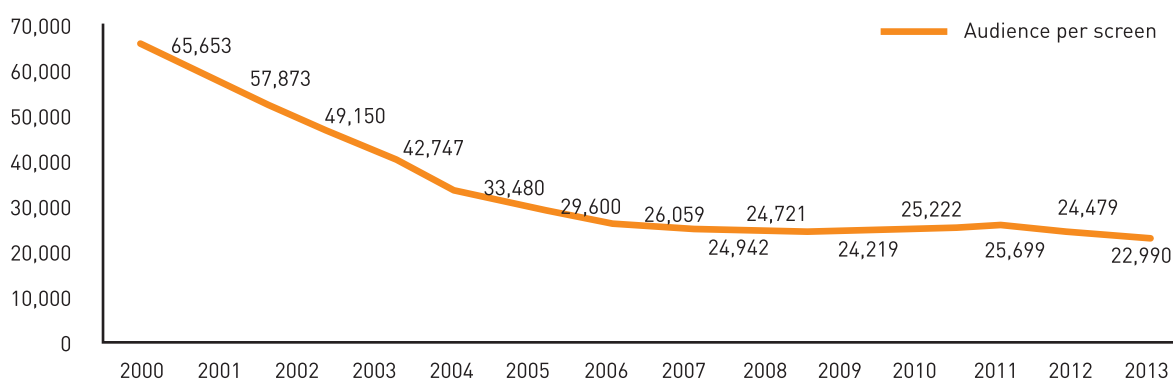
<Table 44> Number of theaters and screens nationwide by year

Year	Admissions(in 10,000)	No. of Theaters	No. of Screens	No. of Seats
2004	13,517	302	1,451	297,584
2005	14,552	301	1,648	322,110
2006	15,341	321	1,880	354,691
2007	15,877	314	1,975	365,034
2008	15,083	309	2,004	362,657
2009	15,696	305	2,055	360,796
2010	14,681	301	2,003	349,640
2011	15,979	292	1,974	341,905
2012	19,489	314	2,081	358,659
2013	21,332	333	2,184	349,669

<Figure 7> Number of theaters and screens by year



<Figure 8> Audience per screen by year



The Ulsan region had the highest percentage increase in the number of screens, showing a 38.5% rise compared to the previous year, followed by Gwangju (21.6% of increase, 107

screens in total). Most regions experienced an increase in the number of screens, including the regions of Chungcheongnam-do (73 screens in total, 10.6% increase), Gyeongsang-

buk-do (94 screens in total, 8.0% increase), Jeollanam-do, Daegu, and Seoul. The Daejeon region was an exception, with a decrease of 11.6% and 61 screens in total. The total increase

rate for the number of screens remained the same as the previous year, at 4.9%. There were 15 new screens introduced in Seoul, totaling 475 and showing a 3.3% increase compared to the previous year.

Most of the regions had an increase in the number of theaters, except for the regions of Busan, Sejong, Gangwon, and Chungcheongbuk-do-Chungcheongnam-do.

<Table 45> Number of theaters and screens in 2013

Region	Number of Theaters				Number of Screens				Number of Seats			
	2012	2013	YoY		2012	2013	YoY		2012	2013	YoY	
			Number of Increase	Growth Rate(%)			Number of Increase	Growth Rate(%)			Number of Increase	Growth Rate(%)
Seoul	71	74	3	4.2	460	475	15	3.3	84,737	81,553	-3,184	-3.8
Busan	25	25	0	0.0	182	183	1	0.5	34,038	32,350	-1,688	-5.0
Daegu	18	19	1	5.6	125	131	6	4.8	21,813	21,224	-589	-2.7
Incheon	16	17	1	6.3	110	111	1	0.9	18,425	18,327	-98	-0.5
Gwangju	12	14	2	16.7	88	107	19	21.6	16,514	18,151	1,637	9.9
Daejeon	10	9	-1	-10.0	69	61	-8	-11.6	12,791	10,716	-2,075	-16.2
Ulsan	4	5	1	25.0	26	36	10	38.5	3,904	6,009	2,105	53.9
Gyeonggi	67	73	6	9.0	453	486	33	7.3	74,419	77,729	3,310	4.4
Kangwon	9	9	0	0.0	62	62	0	0.0	9,694	9,703	9	0.1
Chungcheongbuk-do	9	9	0	0.0	70	72	2	2.9	12,099	12,341	242	2.0
Chungcheongnam-do	12	12	0	0.0	66	73	7	10.6	9,560	10,419	859	9.0
Jeollabuk-do	13	15	2	15.4	74	77	3	4.1	12,129	11,904	-225	-1.9
Jeollanam-do	7	8	1	14.3	49	52	3	6.1	7,591	7,426	-165	-2.2
Gyeongsangbuk-do	15	16	1	6.7	87	94	7	8.0	15,396	7,835	-7,561	-49.1
Gyeongsangnam-do	20	21	1	5.0	125	128	3	2.4	20,979	21,237	258	1.2
Jeju	5	6	1	20.0	30	31	1	3.3	3,832	2,007	-1,825	-47.6
Sejong	1	1	0	0.0	5	5	0	0.0	738	738	0	0.0
Total	314	333	19	6.1	2,081	2,184	103	4.9	358,659	349,669	-8,990	-2.5

The multiplex theater ²⁰⁾ market share was 83.5% of all theaters in 2013. Although both the total number of theaters (333) and multiplexes (278) have increased compared to the number in the previous year, the share of multiplex theaters has decreased by 0.2 percentage points. The share of the number of screens at multiplexes, however, increased by 0.4 percentage points from 94.5% in 2012 to 94.9% in 2013. All the theaters in Chungcheongbuk-do, Jeollanam-do and Sejong regions were multiplex theaters. 72 screens at nine theaters in Chungcheongbuk-do were multiplexes, and 52 screens in eight theaters in Jeollanam-do were multiplexes. In the Sejong region, for which independent

data collection started for the first time in 2013, there were five screens at one theater.

98.4% of viewers chose to watch movies at multiplexes, and multiplexes shared 98.6% of total revenue. The Jeollabuk-do region showed the lowest market share for the number of multiplex theaters (60%) to the total number of theaters. However, most of the viewers (98.9%) chose to watch movies at multiplexes. For all regions, more than 90% of viewers chose to watch movies at multiplexes, reflecting the continuous trend of many theaters being temporarily or permanently closed, or being converted to multiplexes run by conglomerates.

20. The Korean Film Council aggregates data for multiplex theater as follows: 1) Nationwide managed by multiplex chains (such as CJ CGV, Lotte Cinema, Megabox and Cinus) directly, or outsourced theater by those chains; 2) Other theaters with more than 7 screens.

<Table 46> Share of multiplexes in 2013

Region	Number of Theaters			Number of Screens			Number of viewers (1,000)			Revenue of Theaters (KRW 1,000)		
	Total Number of Theaters	Number of Multiplex Theaters	Share of Multiplexes(%)	Total Number of Screens	Number of Screens at Multiplexes	Share of Multiplexes(%)	Total Viewers	Number of Viewers at Multiplexes	Share of Multiplexes(%)	Total Revenue	Revenue for Multiplexes	Share of Multiplexes(%)
Seoul	74	59	79.7	475	456	96.0	60,089	58,962	98.1	460,370,350	454,036,218	98.6
Busan	25	22	88.0	183	178	97.3	17,209	17,065	99.2	122,315,533	121,421,297	99.3
Daegu	19	17	89.5	131	129	98.5	12,720	12,570	98.8	89,275,774	87,798,406	98.3
Incheon	17	13	76.5	111	100	90.1	10,610	10,333	97.4	78,009,550	76,422,701	98.0
Gwangju	14	12	85.7	107	105	98.1	8,323	8,293	99.6	57,499,026	57,290,260	99.6
Daejeon	9	6	66.7	61	49	80.3	8,025	7,404	92.3	57,343,638	53,006,794	92.4
Ulsan	5	4	80.0	36	34	94.4	4,216	4,216	100.0	31,170,904	31,170,904	100.0
Gyeonggi	73	66	90.4	486	471	96.9	46,668	46,297	99.2	338,338,179	336,002,932	99.3
Kangwon	9	8	88.9	62	61	98.4	4,791	4,782	99.8	33,932,676	33,880,619	99.8
Chungcheongbuk-do	9	9	100.0	72	72	100.0	5,369	5,315	99.0	36,781,479	36,429,338	99.0
Chungcheongnam-do	12	8	66.7	73	61	83.6	6,016	5,833	97.0	42,862,516	41,547,788	96.9
Jeollabuk-do	15	9	60.0	77	61	79.2	6,105	6,040	98.9	42,122,475	41,761,931	99.1
Jeollanam-do	8	8	100.0	52	52	100.0	3,625	3,625	100.0	24,644,742	24,644,622	99.9
Gyeongsangbuk-do	16	14	87.5	94	92	97.9	6,309	6,289	99.7	44,372,377	44,246,603	99.7
Gyeongsangnam-do	21	17	81.0	128	116	90.6	11,107	10,679	96.1	77,115,572	75,033,637	97.3
Jeju	6	5	83.3	31	30	96.8	1,840	1,834	99.7	13,084,154	13,052,513	99.8
Sejong	1	1	100.0	5	5	100.0	302	302	100.0	1,925,777	1,925,777	100.0
Total	333	278	83.5	2,184	2,072	94.9	213,324	209,839	98.4	1,551,164,722	1,529,672,340	98.6

CJ CGV (henceforth CGV), Lotte Cinema, and Megabox²¹⁾ are the three major multiplex chains in South Korea. The total number of theatres belonging to the three major multiplex chains was 270, representing an 81.1% share of the total number of

theaters. That was a 1.5% increase compared to 2012.

The number of screens at multiplex theaters was dominant, showing a 94.9% share (total number: 2,072) out of the total number of screens (2,184). On the other hand, the number of

multiplex theaters run by those outside of the top three chains has been continuously decreasing, and currently represents only 76 screens in eight theaters of the nation.

<Table 47> Number of multiplexes run by the major 3 chains in 2013

Category			2012			2013								
			No. of Theaters	No. of Screens	No. of Seats	No. of Theaters	No. of increase	YoY Growth Rate(%)	No. of Screens	No. of increase	YoY Growth Rate(%)	No. of Seats	No. of increase	YoY Growth Rate(%)
Multiplex	Multiplex run by the Major 3	CGV	112	858	148,593	116	4	3.6	901	43	5.0	147,725	7,058	-0.6
		Lotte Cinema	84	590	101,404	96	12	14.3	657	67	11.4	108,683	7,279	7.2
		Megabox	54	403	67,229	58	4	7.4	438	35	8.7	70,891	3,662	5.4
		Subtotal	250	1,851	317,226	270	20	8.0	1,996	145	7.8	327,299	10,073	3.2
	Other Multiplex		13	116	23,030	8	-5	-38.5	76	-40	-34.5	13,751	-9,279	-40.3
	Subtotal		263	1,967	340,256	278	15	5.7	2,072	105	5.3	341,050	794	0.2
Non-Multiplex			51	114	18,403	55	4	7.8	112	-2	-1.8	8,619	-9,784	-53.2
Total (number of theater)			314	2,081	358,659	333	19	6.1	2,184	103	4.9	349,669	-8,990	-2.5

21. Megabox and Cinus merged as Megabox in 2011.

The top 10 movie theaters that attracted the most viewers in 2013 were all run by major conglomerates chains. Seoul Megabox Coex attracted the most viewers, as it did in the previous year. Also in the top 10, there were six CGV theaters and two Lotte Cinema theaters. There was no change in the first and second theatre rankings compared to 2012. Lotte Cinema Nowon's ranking

dropped by five places from third to eighth. CGV Jukjeon, which ranked ninth, broke into the top 10 for the first time. Yauri Cinema of Multiplex Cheonan, which placed ninth in 2012, was ranked tenth this year and was the only theater that is not part of the three major multiplex chains.

<Table 48> Top 10 theaters with highest admissions in 2013

Rank	Region	District/ City	No. of Theater	No. of Screen	No. of Seat
1	Seoul	Gangnam	MegaboxCoex16	16	3,798
2	Seoul	Gwangjin	Lotte Cinema Geonkuk University 11	12	2,143
3	Seoul	Yongsan	CGV Yongsan 11	11	2,215
4	Gyeonggi-do	Suwon City	CGV Suwon 8	8	2,236
5	Seoul	Sungdong	CGV Wangshipri 10	10	1,846
6	Seoul	Yongdeungpo	CGV Yongdeungpo 11	11	2,364
7	Incheon	Namdong	CGV Incheon 14	14	3,390
8	Seoul	Nowon	Lotte Cinema Nowon	10	1,758
9	Gyeonggi-do	Yongin City	CGV Jukjeon 8	8	1,819
10	Chungcheongnam-do	Cheonan City	Yauri Cinema 10 (Cheonan)	10	1,715

5. Exports

Thanks to <Snowpiercer>, the largest Korean blockbuster film targeting global markets, the amount of exports for film products increased 83.7% year-on-year, totaling over USD 37 million in 2013. Boosted by Chinese blockbusters' high demand for video works, the amount of exports for technical services also increased

26.8% compared to 2012, reaching USD 22 million. The total amount of exports including film products and technical services was USD 59 million, representing a 57.2% year-on-year growth rate, and demonstrating growth in both overseas and domestic markets.

<Table 49> Trend for annual exports tallies for film products and services

Category	2011	YoY Growth Rate(%)	2012	YoY Growth Rate(%)	2013	YoY Growth Rate(%)
Amount of exports for film products(USD)	15,828,662	-	20,174,950	27.5	37,071,445	83.7
Amount of exports for services(USD)	19,041,163	-	17,649,854	-7.3	22,388,411	26.8
Total amount of exports (USD)	34,869,825	-	37,824,804	8.5	59,459,856	57.2

1) Exports of Film Products

The amount of exports for Korean films increased 83.7% compared to the previous year. The largest Korean project, <Snowpiercer>, which was targeting global markets directly, was the key driving force for the increased exports in 2013, along with the general trend toward Korean film exports. Films targeting global markets from the planning stage have broadened Korean cinema's portfolio, which used to include films characterized by unique genres, high quality auteur movies, and movies in which the major selling point was a star idol.

The total amount of exports for Korean films was USD 37.07 million in 2013, showing an 83.7% increase compared to the total amount of USD 20.17 million in 2012. Exports were recorded at over USD 30 million

for the first time since 2006, following a steady increase in exports since 2009. The big success of <Snowpiercer> explains the sharp rise in the total amount of exports for Korean films. The amount of exports for <Snowpiercer> itself was close to the exports of all other Korean films combined. The exports of Korean movies had stagnated after a peak in 2005. Boosted by the 'Korean wave', exports reached USD 75.99 million for that year. Combined with artistic quality and commercial appeal, 2013's <Snowpiercer> demonstrated the potential that Korean films can achieve in the global market. The outcome was more meaningful considering that it was achieved under a steady increase in Korean film exports in general. The total contract amount for single film exports was

USD 34.16 million representing a growth rate of 141%. On the other hand, the additional revenue for incumbent works sold previously (overage) accounted for USD 2.91 million, shrinking to half the level of 2012. This is because the final figures for jointly produced films such as <A Wedding Invitation> and <Mr. Go> had not been derived and were not reflected in the statistics, despite their success at the local box office. It could be said that the Korean film industry entered into a state of stability considering that the number of direct distributions has been increasing in overseas markets. However, the statistical data in 2013 indicates that the revenue of Korean films distributed directly in overseas markets (such as China, Japan, the United States, and Indonesia) decreased in 2013.

<Table 50> Trends for annual exports tallies: Korean films (Unit : USD)

Category	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Total Amount of Exports	58,284,600	75,994,580	24,514,728	24,396,215	21,036,540	14,122,143	13,582,850	15,828,662	20,174,950	37,071,445
Contract Amount (MG+Flat+Other)	58,284,600	75,994,580	24,514,728	12,283,339	20,541,212	13,930,262	13,166,280	14,815,146	14,170,390	34,156,895
Additional revenue (Overage)	-	-	-	12,112,876	495,328	191,881	416,570	1,013,516	6,004,560	2,914,550
YoY Growth Rate(%)	88.14	30.39	-67.74	-0.48	-13.77	-32.87	-3.82	16.53	27.46	83.7
Number of films exported*	194	202	208	321	361	251	276	366	331	403
Average amount of exports**	300,436	376,211	117,859	38,266	56,901	55,499	47,704	40,479	42,811	84,756

* Additional sales of incumbent works sold previously is not included in the Number of films exported. For the sales of packaged products combining more than 30 films, one sales contract is counted as one film.

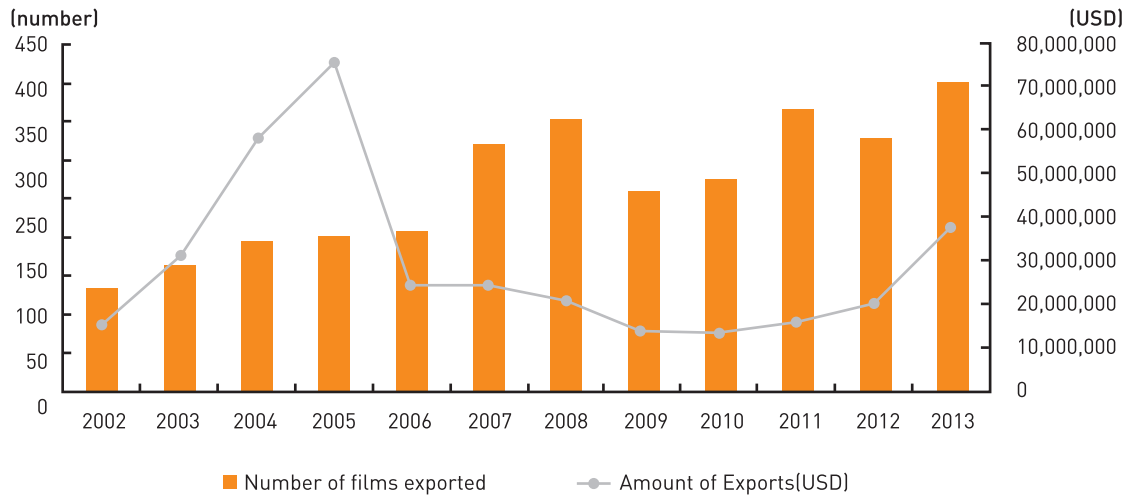
** Average amount of exports = Contract Amount / Number of films exported

The total number of Korean films exported in 2013 was 403, and the average amount of exports was USD 84,756, which represents double the

amount of USD 42,811 from 2012. However, considering the '<Snowpiercer> effect', which increased the average amount, the average

amount of exports for all other films would be around USD 40,000, or slightly higher.

<Figure 9> Trend for annual export amount: Number of Korean films



The amount of exports to the Asian region, which accounts for the biggest share of Korean film exports, increased by USD 2.72 million (18.8%), although Asia's share of Korean exports decreased from 71.6% to 46.3% in 2013. Films in which the star idol was the major selling point, such as <Commitment>, <Marriage Blue> and <No Breathing>, showed outstanding export results. Particularly impressive was <Haemoo>, which

sold to Japan even before the completion of production, since it was in the spotlight for being directed by Bong Joon Ho and for casting PARK Yoo-cheon, a member of the idol group JYJ. Casting a Korean idol has significant impact on the success of movies, both in the domestic and overseas markets. Thus the trend of casting idols for films should continue for a while.

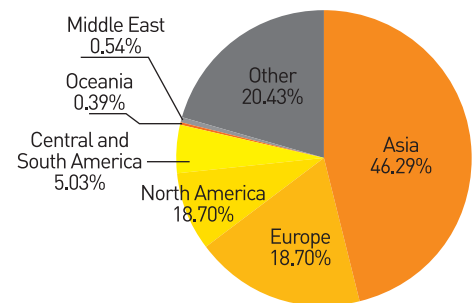
<Table 51> Exports tallies by region: 2012 vs. 2013

Region	Amount of exports (USD)				YoY Growth Rate (%)
	2012	Share(%)	2013	Share(%)	
Asia	14,439,757	71.6	17,161,096	46.3	18.8
Europe	2,455,745	12.2	6,931,734	18.7	182.3
North America	2,872,752	14.2	3,193,230	8.6	11.2
Central and South America	233,500	1.2	1,864,863	5.0	698.7
Oceania	134,196	0.7	144,822	0.4	7.9
Middle East	39,000	0.2	200,700	0.5	414.6
Other	-	-	7,575,000	20.4	100.0
Total	20,174,950	100.0	37,071,445	100.0	83.7

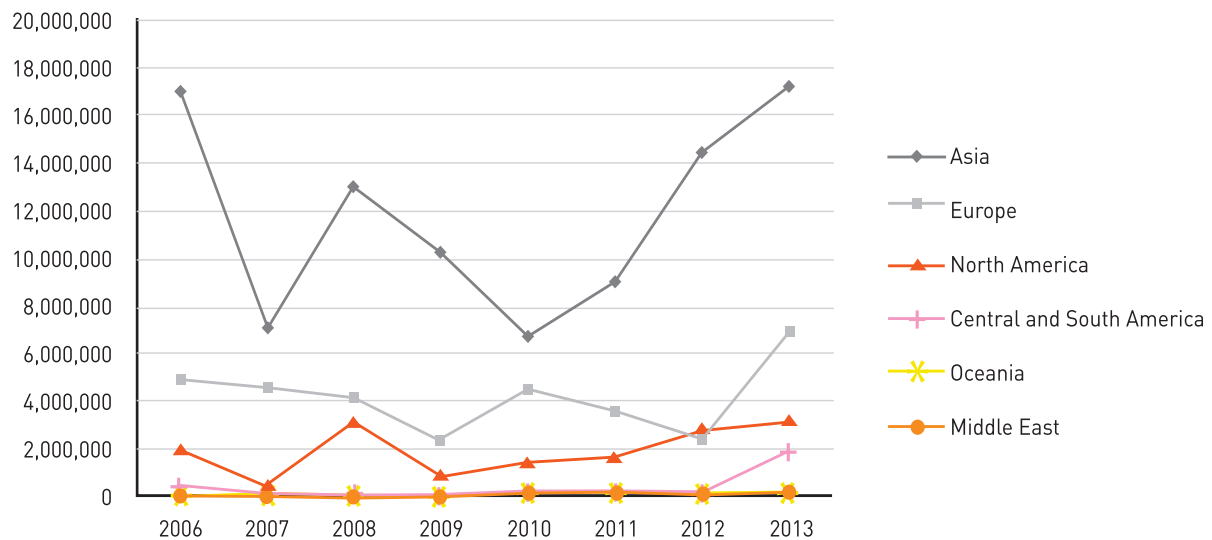
The amount of exports to Europe increased by 182.3% compared to 2012. This reflects the successful sales results of <Snowpiercer> in the overall European region such as France, Germany and Russia. In addition, films with unique characteristics such as <Haemoo>, <Hwayi> and <New World> attracted many European buyers. On the other hand, auteur

movies received less attention, with the exception of movies directed by HONG Sangsoo such as <Nobody's Daughter Haewon> and <Our Sunhi>. The total amount of exports in Central and South America and the Middle East Region rose sharply as a result of the successful exports of <Snowpiercer>.

<Figure 10> Share of exports of Korean films by region in 2013



<Figure 11> Trend for annual export tallies of Korean films by region



Viewed from an individual country perspective, the amount of exports to Japan, which had the biggest share, was USD 8.09 million, decreasing by 16.5% compared to 2012. The share for the total amount of exports also

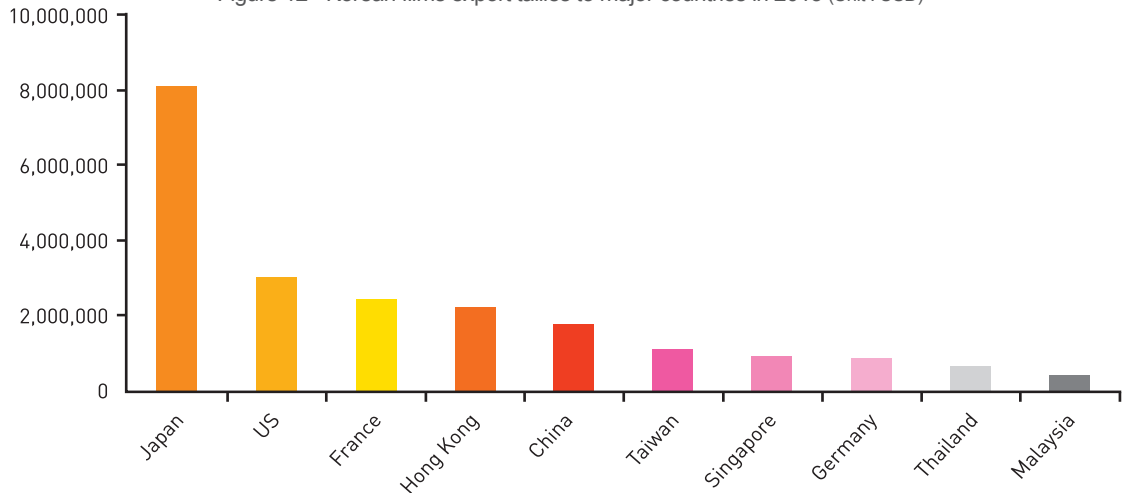
sharply decreased by 21.8%. This is due to the lack of movies with characteristics that would attract Japanese buyers as well as the stagnation of the Japanese domestic movie industry itself. In addition, it cannot be

overlooked that the continually weak state of the Yen has also impacted the profitability of the Korean film industry in Japan.

<Table 52> Korean films export tallies by major countries: 2012 vs. 2013

Country	2012		2013		Amount of Exports Growth(%)
	Amount of Exports (USD)	Share(%)	Amount of Exports (USD)	Share(%)	
Japan	9,679,008	48.0	8,085,102	21.8	-16.5
US	2,341,685	11.6	3,040,243	8.2	29.8
France	1,175,300	5.8	2,452,632	6.6	235.6
Hong Kong	832,700	4.1	2,208,540	6.0	87.9
China	730,809	3.6	1,757,100	4.7	111.0
Taiwan	581,908	2.9	1,123,000	3.0	175.4
Singapore	500,000	2.5	915,145	2.5	57.3
Germany	407,794	2.0	879,700	2.4	169.2
Thailand	331,892	1.7	663,000	1.8	32.6
Malaysia	326,773	1.6	413,600	1.1	-1.7
Other	3,267,081	16.2	15,533,383	41.9	388.8
Total	20,174,950	100.0	37,071,445	100.0	83.7

<Figure 12> Korean films export tallies to major countries in 2013 (Unit : USD)



The US was the country with the second highest amount of exports in 2013, behind Japan. The amount of exports to the US was USD 3.04 million, representing an increase of 29.8% compared to 2012, and a share of 8.2% of total Korean film exports. Films sold through Well Go USA (a US distribution company), such as <New World>, <Commitment> and <Confession of Murder> were the driving force for the increase in the amount of exports. <New World> had a particularly significant impact by selling rights for a US remake. The exports to Hong Kong were doubled compared to the previous year thanks to the steady purchases of distribution rights for movies that will be screened on flights²². Exports to France also doubled, driven by the successful sales of <Snowpiercer> and <Haemoo>, thanks to the

popularity of director Bong Joon Ho. Exports to China increased by 87.9% mainly due to increased sales for the Internet VOD category. Sales mainly focused on Internet VOD in China are likely to continue given that it is difficult to sell copyrights for theaters. It is noteworthy that jointly produced movies such as <A Wedding Invitation> and <Mr. Go> exhibited strong performances at the local box office in 2013, although the amount was not counted in the statistics given that the final sales figures have not been revealed. Co-productions with China seem set to continue, thus, the share of jointly-produced films is expected to grow for Korean film exports. In addition, exports to other major countries have also increased.

22. Distribution rights for in-flight entertainment usually covers all global territories, however, the data at this report was restricted to countries where the individual distributors resided.

<Table 53> Comparison of rights types of exported Korean films in 2012~2013

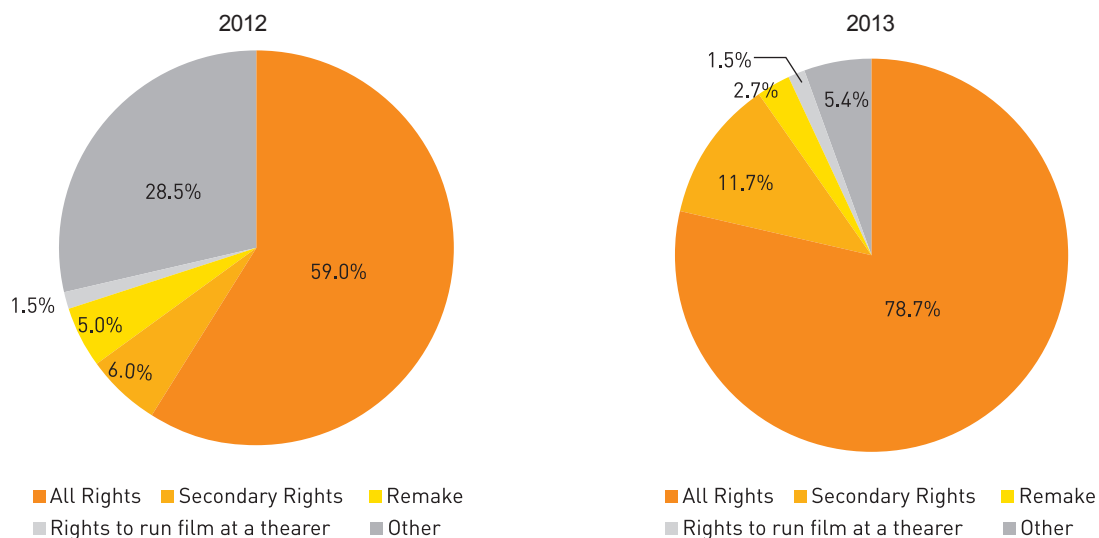
Type of Rights Contracted	2012		2013	
	Amount (USD)	Share(%)	Amount (USD)	Share(%)
All Rights*	11,910,501	59.0	29,181,512	78.7
Secondary Rights**	1,204,825	6.0	4,340,220	11.7
Remake	1,010,000	5.0	1,000,000	2.7
Rights to run film at a theater	294,839	1.5	555,860	1.5
Other***	5,754,785	28.5	1,993,853	5.4
Total	20,174,950	100.0	37,071,445	100.0

* Some conditional rights contracts were also included as 'All Rights'.

** Secondary Rights includes various type of rights such as rights on video, DVD/Blu-Ray, VOD, Internet, PPV, and rights for in-flight entertainment

*** Other includes revenue from direct distribution in overseas markets, revenue from rights for public purposes.

<Figure 13> Type of contracts for distribution rights of Korean films in 2012 and 2013



If we look at the exports of Korean films by the type of rights, the share for "All Rights," which includes theatrical rights and secondary rights, was 78.7%, showing an increase compared to 2012. The closing of contracts for All Rights, which bundles the sale of different types of rights, is always increasing given that the sales price is stabilizing, and the types of rights are becoming increasingly diverse as a result of the development of the secondary online market.

2) Export of Services

Among exports for service sectors, VFX (Visual Effects) companies' performance in China was outstanding in 2013. Thanks to the VFX companies' performance, the total amount of service exports showed its highest growth rate (year-on-year 26%) since 2010, when records began. There were five service sectors subject to research for exports; (VFX·DI/ 3D·3D Converting/ Sound Mixing /Other/ Location service for international

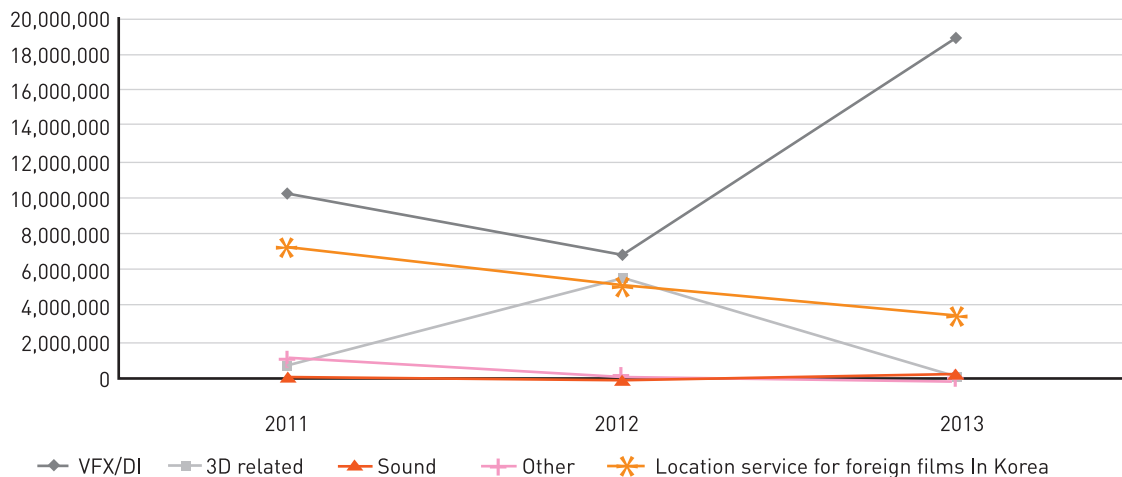
films in Korea). The research also involved over 14 companies that had received overseas contracts in 2013. In addition, the Film Commissions in Seoul and Busan are also included as subjects of the research to figure out the production costs in Korea for international films using location services. Companies that did not reveal the exact amounts of existing contracts were excluded from this research to increase the accuracy of the data.

<Table 54> Contract amounts of Korean film services in overseas markets, 2011~2013 (Unit : USD)

Region	2011		2012		2013	
	Contract Amount	Share(%)	Contract Amount	Share(%)	Contract Amount	Share(%)
VFX • DI	10,125,071	53.2	6,763,300	38.3	18,845,429	84.0
3D related	664,300	3.5	5,460,000	30.9	-	-
Sound	145,891	0.8	51,700	0.3	89,000	0.4
Other(Special Effects, Martial art ect.)	886,583	4.7	225,570	1.3	16,500	0.1
Location service for international films In Korea*	7,219,318	37.9	5,149,284	29.2	3,472,482	15.5
Total	19,041,163	100.0	17,649,854	100.0	22,388,411	100.0
YoY Growth Rate(%)		-33.5		-7.3		26.8

* The amount charged in Korea when foreign films are produced within South Korean territory.

<Figure 14> Trend of contract amounts for Korean film services in overseas markets, 2011 ~2013 (Unit : USD)



The total contract amount for Korean film services in overseas markets in 2013 was USD 22.39 million, generated from a total of 37 contracts. Although the number of contracts itself has decreased compared to 2012 (from 54 to 37), the total contract amount increased by 26%, reaching a historical high, due to the huge scale of the contracts.

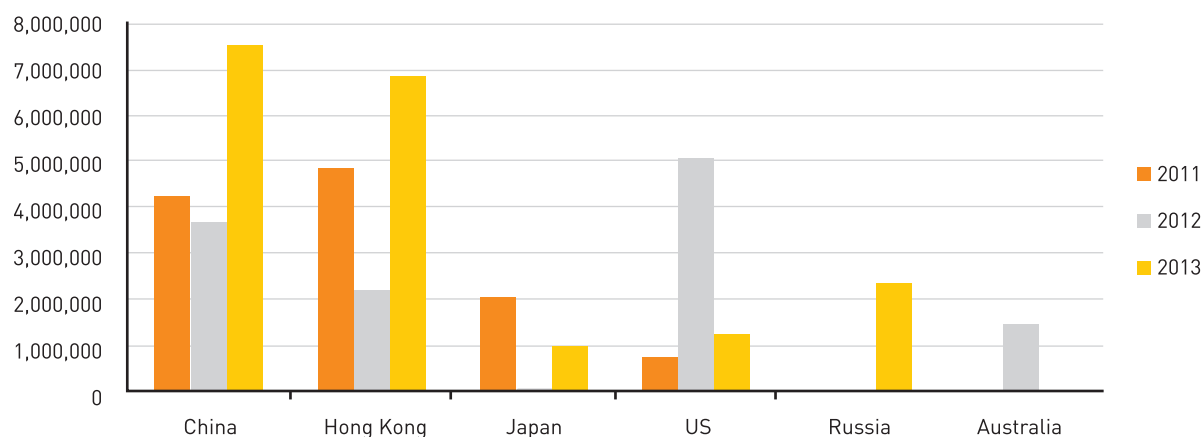
If we look at the contract amounts by sector, the VFX/DI sector had a share of 84.0%, contributing to the increase of the total contract amount. Boosted by the recent surge of production of large-scale films in China, the demand for Korean technical services is increasing due to its high quality relative to price.

The data for the 3D-3D Converting sector, which recorded a 75% share of service exports in the Korean film industry for 2010, could not be collected for 2013. Several factors impacted this trend; 1) A few companies that had majority market shares could not export the technology anymore due to downsizing, resulting from internal issues, 2) price competitiveness to companies in Southeast Asia has weakened. Contract amounts for the Special Effects, Martial Art · Stunt, Sound Mixing sector were either similar or decreasing compared to the previous year. The major reason for this is that companies were more focused on the domestic Korean market, as the demand for Korean films and drama has increased.

<Table 55> Contract amounts for Korean film service sector in 2011~2013: By country

Region	Country	2011		2012		2013	
		Amount (USD)	Share(%)	Amount (USD)	Share(%)	Amount (USD)	Share(%)
Asia	China	4,241,572	35.9	3,642,180	29.1	7,519,493	39.7
	Hong Kong	4,850,938	41.0	2,190,000	17.5	6,849,346	36.1
	Japan	2,016,938	17.1	28,575	0.2	1,004,100	5.3
	Taiwan	-	-	123,490	1.0	-	-
	Malaysia	6,097	0.1	-	-	-	-
	Kazakhstan	-	-	-	-	27,000	0.1
North America	US	706,300	6.0	5,075,325	40.6	1,224,990	6.5
Europe	Russia	-	-	-	-	2,326,000	12.3
Oceania	Australia	-	-	1,441,000	11.5	-	-
Total		11,821,845	100.0	11,059,570	100.0	18,950,929	100.0

<Figure 15> Trend of contract amounts for Korean film service sector in 2011 ~ 2013: By country (Unit : USD)



Service sector exports could be divided into two classifications; 1) Contracts by film service companies dealing in VFX, 3D, Sound Mixing, Special Effect services & Contracts by production staff of foreign films, and 2) Contracts for filming foreign films in Korea.

Total contract amount for films service companies and production staff was USD 18.95 million, representing a 71% increase compared to 2012, thanks to contracts for two big Chinese films in 2013. There was an increase of over 200% in exports to the Chinese mar-

ket, and an increase of over 300% in exports to the Hong Kong market. This trend will likely continue considering that the demand for contents is steadily increasing due to the surging number of screens in the China market.

If we look at the regional trends, the total share for the Asian market has increased, mainly driven by increases in the Chinese market. The US share has slightly decreased mainly due to competition with other countries neighboring the US, such as Canada, which made it more difficult for the Korean

film service industry to close deals. On the other hand, countries such as Russia and Kazakhstan emerged as new markets.

Contract amounts for filming international films in Korea have been collected since 2011. In 2013, the total amount for contracts was USD 3.43 million, decreasing by 32% compared to 2012. It is difficult to know the exact amount for contracts that are not supported by the Korean Film Commission directly. Many of these contracts are included in the 2013 data. Thus, it would be more statistically meaning-

ful to look at the regional share of contract amounts, rather than the decrease in the total contract amount (In

fact, the number of foreign films shot in Korea increased from 19 in 2012 to 27 in 2013.)

<Table 56> Contract amount for foreign films filming in Korea by country, 2011-2013

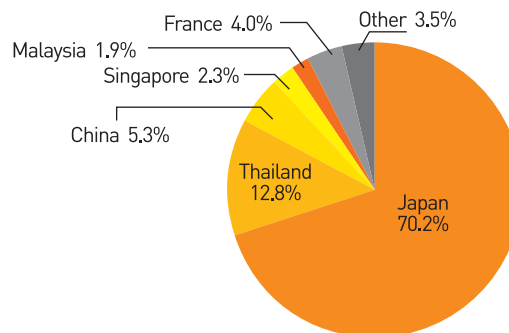
Region	Country	2011		2012		2013	
		Amount Charged (USD)	Share(%)	Amount Charged (USD)	Share(%)	Amount Charged (USD)	Share(%)
Asia	Japan	5,930,244	82.1	919,038	17.8	2,412,497	70.3
	Thailand	-	-	-	-	439,074	12.8
	China	1,053,501	14.6	2,312,865	44.9	181,173	5.2
	Singapore	-	-	110,775	2.2	79,124	2.3
	Malaysia	185,472	2.6	54,998	1.1	64,860	1.8
	Philippines	50,101	0.7	92,979	1.8	-	-
	Indonesia	-	-	454,473	8.8	-	-
Europe	France	-	-	23,473	0.5	138,822	4.0
	Other	-	-	115,015	2.2	121,933	3.5
North America	US	-	-	1,065,668	20.7	-	-
Total		7,219,318	100.0	4,083,616	100.0	3,427,482	100.0

Source: Seoul Film Commission, Busan Film Commission, Korean Film Council

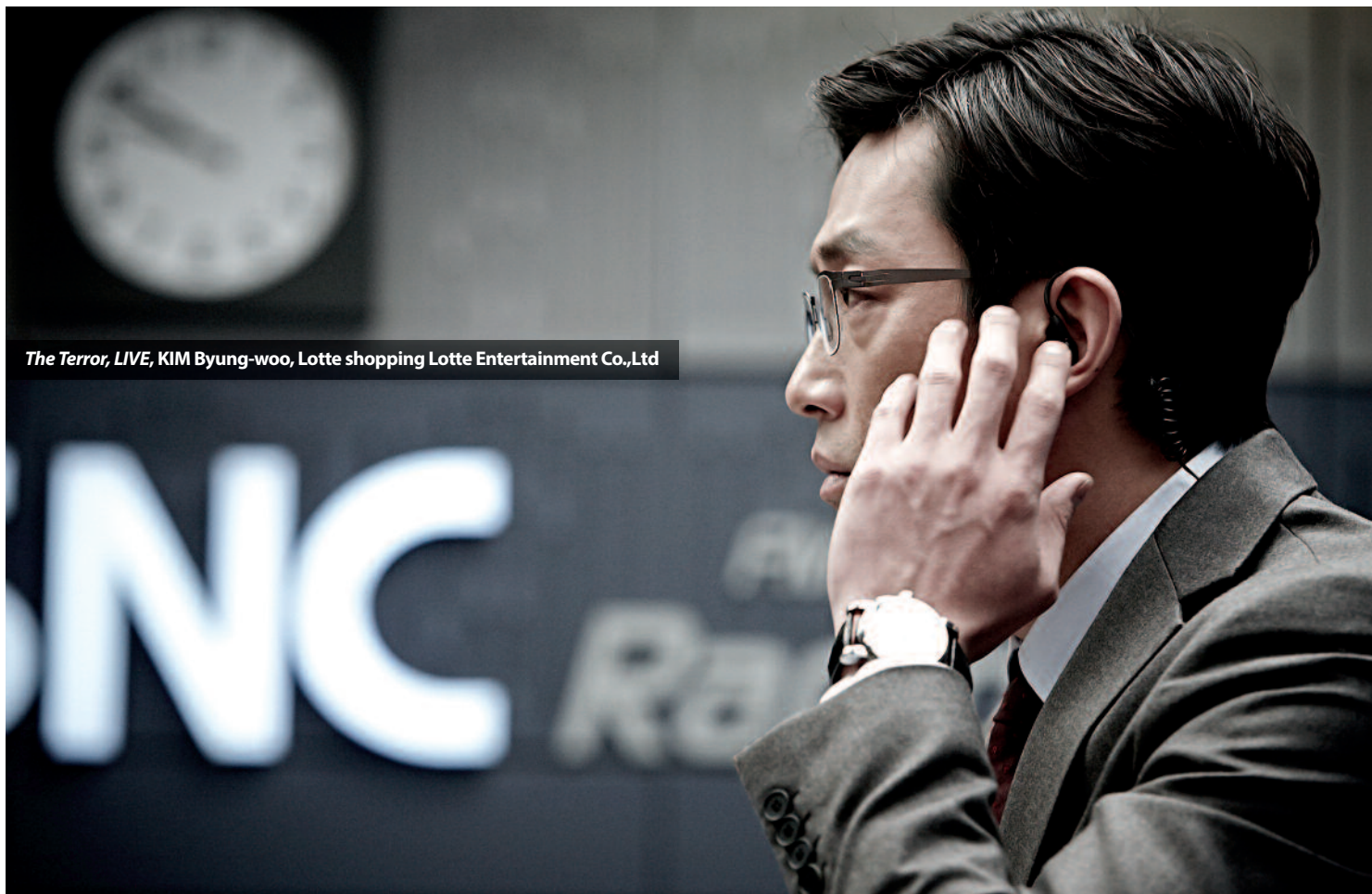
If we look at the regional share, Japan had the top market share again as it did in 2011. China held the top spot in 2012 mainly due to a single large production filming in Korea. Japan's share recovered to the level of previous years in 2013. It is noteworthy that European works had a share of 7.5%, reflecting the increased production of TV shows related to Korean culture and influenced by the popularity of K-pop in Europe, apart from the production of films. Thailand's share has increased temporarily due to the production of a single large drama (<Full House>) in Korea.

The performance of the Korean film service sector in general increased by 26% in 2013 compared to 2012. This was mainly due to VFX companies' active entry to the Chinese market. Total contract amounts for the VFX sector in China (including Hong Kong) were remarkably strong, and represented a year-on-year increase of over

<Figure 16> Share of contract amounts for foreign films filmed in Korea, by country, 2013



200%. Contract amounts for foreign films filmed in Korea are showing a trend toward stability, as there is more diversity in terms of the regions and genres compared to previous years. In the past, the amounts of contracts were mainly dependent on a few big films.



The Terror, LIVE, KIM Byung-woo, Lotte shopping Lotte Entertainment Co.,Ltd



Hide and Seek, HUH Jung, Next Entertainment World, Inc.(NEW)

The Flu, KIM Sung-soo, i Love Cinema co., ltd.



3.

CONCLUSION



Cold Eyes, CHO Ui-seok / KIM Byeong-seo, Next Entertainment World, Inc.(NEW)

III . Conclusion– Incoming artists and projects to open a new horizon within a fair and creative production environment

2013 was an unprecedented highmark for Korean cinema. As explained, it was the fruit born through the dark period of 2007 through 2010 when the process of meticulous planning and effective production systems were established. It is agreed by many filmmakers in Korea that the boom will continue in 2014.

For the current trend to continue as sustainable growth, a fair environment for the film industry is a must where conglomerates, small and medium-sized companies as well as individual creators and staff can coexist, with a stable system to share the outcome of recently soaring ancillary markets among the entire creators-producers-investors platform.

In 2013, standardized contracts for screening, screenplays and staff employment were adopted in full scale while The Korean Cinema Growth Together Association also achieved some results through many discussions. Alignment within the greater film community on the usage of standardized contracts concerning screenings, staff employment and screenplays does not mean that such contracts can be enforced institutionally. Yet it is significant that production companies and investors are now recognizing that it is necessary to use such contracts. Now everybody is on the starting line. The Korean Film Council is making sure all film projects chosen to receive support for planning and development as well as production support are using standardized

screenplay contracts and making it mandatory for all films financed by investment cooperatives formed in the future to use standardized employment contracts. Effort needs to be made by all members of the industry for further improvement.

Furthermore, the fruits of the digital ancillary market centering around IPTV will need to be distributed to all relative categories including film production, investment, distribution and other platforms and this practice needs to be exercised in a reasonable manner. To this end, a sales recording system on films traded in the digital ancillary market similar to the integrated theater ticket network of the cinema market must be established. The so called 'online network' is in urgent need. Moreover, in addition to well-made and well-planned genre films that have led the recent growth of Korean films, many are looking forward to films with strong directorial characteristics. After the time of HONG Sang-soo, KIM Ki-duk, LEE Chang-dong and PARK Chan-wook, there are no new faces being invited to the competitions of major international film festivals like Cannes, Berlin and Venice where new talents of cinema art are discovered. It has been noted that until the mid-2000s, foreign film critics and buyers have found the source of energy and power for Korean film to be that artistic films are welcomed in theaters by the public.

[General Management]

Hyoun-soo KIM

Director, Film Research & Development Dept. (+82-51-720-4820, myear@kofic.or.kr)

[Content writing]

1. Box Office

- Hyoun-soo KIM : Film Research & Development Dept. (+82-51-720-4820, myear@kofic.or.kr)
- Jiyin PARK : Film Research & Development Dept. (+82-51-720-4826, heedong21@kofic.or.kr)

2. Digital Online Market

- Jooyoung PARK : Film Research & Development Dept. (+82-51-720-4822, demian@kofic.or.kr)
- Seonghee KIM : Visiting Resercher (heemetal@naver.com)

3. Production cost and ROI of Korean film

- Ha YUN : Film Research & Development Dept. (+82-51-720-4821, ducer@kofic.or.kr)

4. Theaters and Multiplexes nationwide

- Jooyoung PARK : Film Research & Development Dept. (+82-51-720-4822, demian@kofic.or.kr)

5. Exports

- Chris KIM : International Promotion Department (+82-51-720-4799, wave@kofic.or.kr)
- Jiwon CHOI : International Promotion Department (+82-51-720-4794, choi@kofic.or.kr)

TOP 50 of Korean Films Released and Screened, 2013

No	Title	Directed by	Produced by	Distributed by	Release Date	Rating	No. of screens nationwide	Nationwide sales revenue (including 2012 sales)	National admissions (including 2012 admissions)
1	Miracle in Cell No.7	LEE Hwan-kyung	FineWorks, CL Entertainment	Next Entertainment World, Inc.(NEW)	2013-01-23	15+	787	91,429,295,670	12,810,776
2	Snowpiercer	BONG Joon-ho	Moho Film	CJ E&M Corp.	2013-08-01	15+	1,128	66,951,128,500	9,341,747
3	The Face Reader	HAN Jae-rim	JupitorFilm	Showbox/Mediaplex, Inc.	2013-09-11	15+	1,190	66,004,775,500	9,134,463
4	The Berlin File	RYOO Seung-wan	Filmmaker R & K,CJ E&M Corp.	CJ E&M Corp.	2013-01-30	15+	894	52,354,771,637	7,166,177
5	Secretly Greatly	JANG Cheol-soo	MCMC	Showbox/Mediaplex, Inc.	2013-06-05	15+	1,341	48,700,887,413	6,959,083
6	The Attorney	YANG Woo-suk	Withus Film	Next Entertainment World, Inc.(NEW)	2013-12-18	15+	923	40,952,697,500	5,686,919
7	Hide and Seek	HUJ Jung	Dream Capture	Next Entertainment World, Inc.(NEW)	2013-08-14	15+	779	39,602,987,500	5,604,104
8	The Terror, LIVE	KIM Byung-woo	Film production CINE2000	Lotte shopping Lotte Entertainment Co.,Ltd	2013-07-31	15+	743	39,834,696,881	5,579,125
9	Cold Eyes	CHO Ui-seok KIM Byeong-seo	ZIP CINEMA	Next Entertainment World, Inc.(NEW)	2013-07-03	15+	949	39,371,354,179	5,506,770
10	NewWorld	PARK Hoon-jung	Sanai Pictures	Next Entertainment World, Inc.(NEW)	2013-02-21	18+	671	34,880,882,905	4,682,418
11	Man on the Edge	JO Jin-kyu	JNP co., Ltd.	Showbox/Mediaplex, Inc.	2013-01-09	15+	599	28,343,986,569	3,893,216
12	The Spy: Undercover Operation	LEE Seung-jun	JK Film	CJ E&M Corp.	2013-09-05	15+	785	24,508,067,305	3,435,596
13	The Tower	KIM Ji-hoon	CJ E&M Corp.	CJ E&M Corp.	2012-12-25	12+	617	37,654,858,000	5,181,014
14	The Flu	KIM Sung-soo	i Love Cinema co., Ltd.	i Love Cinema co., Ltd.	2013-08-14	15+	806	21,783,151,000	3,118,847
15	Friend: The Great Legacy	KWAK Kyung-taek	Trinity Entertainment	Lotte shopping Lotte Entertainment Co.,Ltd	2013-11-14	18+	968	21,795,038,513	2,969,874
16	Hope	LEE Joon-ik	FILMMOMENTUM	Lotte shopping Lotte Entertainment Co.,Ltd	2013-10-02	12+	641	18,529,474,100	2,711,003
17	Hwayi: A Monster Boy	JANG Joon-hwan	NOW FILM	Showbox/Mediaplex, Inc.	2013-10-09	18+	817	17,695,189,795	2,394,418
18	The Suspect	WON Shin-yun	Green Fish	Showbox/Mediaplex, Inc.	2013-12-24	15+	807	15,629,656,500	2,176,771
19	Montage	JEONG Keun-seob	Mlin Picpures Co., Ltd.	Next Entertainment World, Inc.(NEW)	2013-05-16	15+	540	15,002,458,500	2,095,592
20	Very Ordinary Couple	ROH Deok	Vanguard Studio	Lotte shopping Lotte Entertainment Co.,Ltd	2013-03-21	18+	567	13,798,864,446	1,865,195
21	Blood and Ties	GUK Dong-seok	Sunshine Film	CJ E&M Corp.	2013-10-24	15+	611	12,333,094,882	1,766,283
22	Way Back Home	PANG Eun-jin	CJ E&M Corp.,Dasepo Club co. Ltd.	CJ E&M Corp.	2013-12-11	15+	740	12,373,820,745	1,763,219
23	Fist of Legend	KANG Woo-suk	Cinema Service Co.,Ltd.	CJ E&M Corp.	2013-04-10	18+	724	12,777,314,500	1,744,585
24	My Paparotti	YOON Jong-chan	KM Culture Co., Ltd.	Showbox/Mediaplex, Inc.	2013-03-14	15+	552	11,825,934,000	1,716,429
25	Running Man	CHO Dong-oh	Creapictures Co., Ltd.	20th Century Fox Korea	2013-04-04	15+	567	10,060,239,500	1,422,844
26	Mr. Go	KIM Yong-hwa	Dexter Studios	Showbox/Mediaplex, Inc.	2013-07-17	12+	840	9,324,028,000	1,326,852
27	Marriage Blue	HONG Ji-young	SOO FILM	Cinus Entertainment	2013-11-21	15+	524	8,433,997,719	1,212,814
28	Tough as Iron	AHN Gwon-tae	Cinema Service Co.,Ltd.,	CJ E&M Corp.	2013-10-02	15+	707	8,572,266,462	1,209,350

No	Title	Directed by	Produced by	Distributed by	Release Date	Rating	No. of screens nationwide	Nationwide sales revenue (including 2012 sales)	National admissions (including 2012 admissions)
29	Killer Toon	KIM Yong-gyun	Filma Pictures	CJ E&M Corp.	2013-06-27	15+	541	8,532,258,570	1,200,772
30	Boomerang Family	SONG Hae-sung	Invent Stone corp	CJ E&M Corp.	2013-05-09	15+	583	8,169,492,153	1,141,222
31	Commitment	PARK Hong-soo	The Lamp	Showbox/Mediaplex, Inc.	2013-11-06	15+	660	7,010,034,126	1,048,253
32	Born to Sing	LEE Jong-pil	In & In Pictures	Lotte shopping Lotte Entertainment Co.,Ltd	2013-05-01	12+	581	6,685,476,000	977,873
33	Pororo : The Racing Adventure	PARK Young-kyun	Ocon, ChinaEntertainment Corporation	CJ E&M Corp.	2013-01-23	All	459	6,819,979,500	929,985
34	AM 11:00	KIM Hyun-seok	Pareto Works Co.,Ltd	CJ E&M Corp.	2013-11-28	15+	512	6,097,185,000	870,702
35	South Bound	YIM Soon-rye	Film Train	Lotte shopping Lotte Entertainment Co.,Ltd	2013-02-06	15+	428	5,970,851,500	832,894
36	Love 911	JEONG Gi-hun	ORM Pictures	Next Entertainment World, Inc.(NEW)	2012-12-19	15+	466	17,911,274,787	2,475,797
37	The Fives	JEONG Yeon-sik	Cinema Service Co.,Ltd.	CJ E&M Corp.	2013-11-14	18+	501	5,343,719,000	731,199
38	The Gifted Hands	GWON Ho-yeong	Miracle Film	CJ E&M Corp.	2013-03-07	18+	429	3,978,107,129	534,176
39	How to Use Guys with Secret Tips	LEE Won-suk	Sopoong Film Inc.	Showbox/Mediaplex, Inc.	2013-02-14	15+	372	3,606,428,257	507,881
40	Horror Stories II	JUNG Bum-shik	SOO Film, Daisy & Cinery Entertainment	Lotte shopping Lotte Entertainment Co.,Ltd	2013-06-05	15+	337	3,393,667,500	495,522
41	Steal My Heart	LEE Hyeon-jong	Sonet Entertainment	Lotte shopping Lotte Entertainment Co.,Ltd	2013-12-18	12+	517	3,293,065,500	480,408
42	No Breathing	CHO Yong-sun	SOO JACK FILMS	9ers Entertainment	2013-10-30	15+	584	2,991,824,739	451,669
43	Tumbleweed	LEE Duk-hee	Aram Pictures Inc.	Mains entertainment	2013-11-28	18+	415	3,146,117,000	429,083
44	Happiness for Sale	JEONG Ik-hwan	Featured Entertainment	Lotte shopping Lotte Entertainment Co.,Ltd	2013-05-16	All	385	2,247,017,000	334,323
45	Fasten Your Seatbelt	HA Jung-woo	Fantagio Pictures	CJ E&M Corp.	2013-10-17	15+	374	1,913,087,600	270,148
46	Queen of the Night	KIM Je-yeong	Ivision Entertainment	Invent Stone corp	2013-10-17	15+	333	1,762,844,500	252,468
47	An Ethic's Lesson	PARK Myoung-rang	TPS Company Saram Entertainment	Lotte shopping Lotte Entertainment Co.,Ltd	2013-02-21	18+	302	1,658,653,000	225,618
48	Days of Wrath	SHIN Dong-yeob	NBRIX	Invent Stone corp	2013-10-30	18+	305	1,388,412,500	192,347
49	A Wonderful Moment	KIM Sung-hoon	GOOD CHOICE CUT PICTURES	CJ E&M Corp.	2013-01-09	All	341	1,286,203,128	183,650
50	Top Star	PARK Joong-hoon	Seum Production	Lotte shopping Lotte Entertainment Co.,Ltd	2013-10-24	15+	397	1,194,180,500	175,152



The Flu



New World



Hwayi: A Monster Boy



The Berlin File

STATUS & INSIGHT :

KOREAN FILM INDUSTRY 2013

13F, 55 Centum jungang-ro(U-dong), Haeundae-gu, Busan, Korea (612-020), KOFIC
E-mail : webmaster@kofic.or.kr **Tel :** +82 51 720 4700 **Web :** www.koreanfilm.or.kr

KOFIC
 Korean Film Council